

# RESIDENCE

- I BACKGROUND  
DATA & NEEDS  
ANALYSIS
- II OBJECTIVES  
& POLICIES
- III IMPLEMENTATION  
PROGRAMS  
& ACTIVITIES

The Residence Element of the  
Comprehensive Plan of the City  
and County of San Francisco  
Department of City Planning  
June 28, 1984


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THE RESIDENCE ELEMENT



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## RESIDENCE ELEMENT OF THE COMPREHENSIVE PLAN

After extensive public review, the preparation of several drafts, and consideration of the findings of an Environmental Impact Report and of the comments of the State Department of Housing and Community Development, the City Planning Commission adopted a revised Residence Element of the Master Plan on April 21, 1983.

In early 1984, the Department of City Planning proposed an update of the Residence Element. A draft of the proposed update was released in May. Public hearings were held on June 7, June 21, and June 28. The revisions were adopted by the City Planning Commission on June 28, 1984, through Resolution No. 10045.

The Element that follows is designed to comply with specific requirements of state law regarding the contents of a housing element. The Element is divided into three parts: Part One, Background Data and Needs Analysis; Part Two, Objectives and Policies; and Part Three, Implementation Programs.

Part One contains a description and analysis of:

1. the characteristics of San Francisco's population and households;
2. various characteristics of San Francisco's housing stock;
3. discusses overall housing needs, the needs of various income groups and the special housing needs of the disabled, elderly and female heads of households;
4. the inventory of land suitable for residential development; and
5. the various constraints on maintenance, improvement or development of housing.

The background data and needs analysis leads then to the formulation in Part Two of appropriate objectives and policies to deal with identified needs and constraints. These objectives and policies are stated in general terms and are designed to provide guidance to the City in dealing with housing issues in the years ahead. The objectives and policies form the framework for Part Three of the Element, which contains the implementation programs and activities which are proposed to be taken over the next five years to carry out the housing objectives and policies.

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## INTRODUCTION

San Francisco's Residence Element addresses housing quantity, affordability, quality, and accessibility.

It does so at a time when the City faces an extraordinary housing situation. Costs are among the highest in the nation. The vacancy rate remains persistently low. The growth of jobs and the desire of people -- the affluent, as well as the newly arrived foreign immigrant -- to live in San Francisco -- place added pressure on the city's housing stock.

Several assessments of housing need have been made. The results vary depending on the methodology used. Fully meeting the "need", however measured, will require a rate of production many times greater than what has been achieved in recent years. To begin to address the City's housing needs, production must at least approximate construction in the mid-1970's when about 2,500 units a year were built. The rent or purchase price of many of these units would be required to be reduced to make them affordable to lower income groups.

It is a fundamental goal of this Element to provide for every San Franciscan appropriate and affordable housing. For a variety of reasons, the supply of affordable housing is not expanding rapidly enough to match demand. The Federal government is totally revamping its approach to low/moderate income housing aid and cutting back funding so that adequate subsidies for new construction are not likely in the future. Interest rates, while considerably lower than several years ago, are still high and are edging upward again. These are factors over which the City has little or no control.

What can the City do to increase the supply of housing? It can assure that sufficient sites exist for housing at locations acceptable to the public; provide land use incentives for the production of housing; assist, to a limited extent, in the financing of housing; and can establish a favorable regulatory climate for new housing construction. This housing element is designed to do these things.

It is clear that new housing approaches must be developed and tested. The City has already taken some innovative steps -- ones that are to continue under the Residence Element:

- o San Francisco is pioneering in tying housing assistance to commercial development. No other big American city requires major office developers to assist in meeting the city's housing needs.
- o The City is proposing to use high density zoning incentives to create whole new neighborhoods with thousands of units in areas close to downtown.

It is unlikely that state or local government can substitute for the substantial housing subsidies previously made available by the Federal Government. But significant cost reductions can be achieved through concurrent density bonus, mortgage bond financing and unit size reduction. The City will need to experiment with these cost reduction techniques in the years ahead. If we are to create new, affordable housing in the future, it



may be necessary to revise our housing attitudes and standards and accept smaller units and higher densities. There is evidence that such acceptance is already occurring.

Given the high costs of new construction and financing, it is clear that the major source of housing in the future, and particularly the major source of low and moderate income housing, will be the existing supply. This Residence Element is designed to preserve that supply in a number of dimensions:

- o It proposes to preserve the quantity of existing housing by discouraging demolition or conversion to other uses.
- o It proposes to preserve quality by encouraging housing maintenance and rehabilitation.
- o It proposes to preserve affordability through continued rent regulation and encouragement of non-profit ownership in rental housing.

Given the current state of the housing market, it is difficult to outline in a Master Plan element a specific blue print for solving the city's housing problems. What an element can do -- and what this element does -- is to indicate the appropriate general direction to move in, to take those steps that are within the City's control, and to propose to do as much as possible with available resources.





PART ONE  
BACKGROUND DATA &  
NEEDS ANALYSIS





## I. POPULATION AND HOUSEHOLD CHARACTERISTICS

### A. Population Characteristics

According to the Bureau of the Census, over the past decade San Francisco's population has decreased by 36,700 persons to a 1980 population of 678,974. However, the California Department of Finance estimates the city's population to have been 706,900 as of Jan. 1, 1984, an indication that the City's population is growing. Table 1 shows that population to be racially and ethnically diverse. There was significant change in the City's ethnic makeup between 1970 and 1980. "Asians and Pacific Islanders" increased by 51% over their 1970 population. The category "Other" increased by 473%, a gain of 38,383 people. The category "White" decreased by 29% to 395,082 people. The proportion of the population identified as "Black" remained relatively stable, comprising approximately 13% of the total population.

Data on people of Spanish origin is not directly comparable from 1970 to 1980, since the Bureau of the Census has not maintained a consistent definition or classification. The 1980 Census used a category of Spanish origin, by which people identified themselves as Mexican, Puerto Rican, Cuban, or other Spanish origin. This category is in addition to identification with a racial category. In San Francisco 12.3% of the population identified themselves as being of Spanish origin.

Tables 1 and 2 show trends in the age distribution of the population. San Francisco is losing the very young (under 15) and gaining in that portion of our population which is over 74. In terms of the population under 15 years old, the trend shows a decline from 1970-1980. This decline is reflected in the decline in school enrollment from 106,900 in 1972 to 83,790 in 1980 (Table 3). On the other hand, that segment of the population which is over 64 years old increased by 4,547 people. It is interesting to note (Table 2A) that within the category over 64 the population between 65-74 actually decreased by 1,754 people, while the population over 74 increased by 6,301 people.

Table 1 shows that between 1970 and 1980 there was a significant increase in the 25-44 age category. When this group is broken down (Table 2A), we see that the 25-34 age group increased by 43,523 people, while the 35-44 group only increased by 1,146.

TABLE 1  
POPULATION CHARACTERISTICS

	<u>1970-1980</u>	
	<u>1970</u>	<u>1980</u>
TOTAL POPULATION	715,674	678,974
<u>RACE</u>		
WHITE	511,186	395,082
%	71.4%	58.2%
BLACK	96,078	86,414
%	13.4%	12.7%
AM. INDIAN, ESKIMO, & ALEUT	2,900	3,548
%	0.4%	0.5%
ASIAN AND PACIFIC ISLANDERS	97,389	147,426
%	13.6%	21.7%
OTHER	8,121	46,504
%	1.1%	6.8%
SPANISH ORIGIN*	101,701	83,373
%	14.2%	12.3%
<u>AGE</u>		
% under 15	18.5	13.7
% 15-24	17.4	15.9
% 25-44	26.2	34.2
% 45-64	23.9	20.9
% 65 and over	13.9	15.4

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Data Source: 1. Bureau of the Census

\*NOTE: The racial classifications are from the 1980 census. The 1980 category Spanish Origin was identified as Spanish surname in 1970. Both categories are in addition to identification with a specific racial group.

TABLE 2

## DETAILED POPULATION CHARACTERISTICS

A. CHANGE IN AGE DISTRIBUTION OF SAN FRANCISCO'S  
POPULATION 1970-1980

<u>Age</u>	<u>1970</u>	<u>%</u>	<u>1980</u>	<u>%</u>	<u>Net Change</u>	<u>% state- wide</u>
0-5	43,003	6.0	31,537	4.6	- 11,466	7.2
5-9	44,332	6.2	28,596	4.2	- 15,736	7.0
10-14	45,232	6.3	32,674	4.8	- 12,558	7.6
15-19	49,572	6.9	42,374	6.2	- 7,198	9.0
20-24	74,934	10.5	65,242	9.6	- 9,692	10.0
25-29	62,855	8.8	80,784	11.9	+ 17,929	9.4
30-34	44,844	6.3	70,438	10.4	+ 25,594	8.5
35-44	79,997	11.2	81,143	12.0	+ 1,146	11.9
45-54	86,638	12.1	70,025	10.3	- 16,613	10.0
55-59	43,058	6.0	38,480	5.7	- 4,578	5.1
60-64	41,471	5.8	33,396	4.9	- 8,075	4.2
65-74	62,447	8.7	60,693	8.9	- 1,754	6.2
75+	37,291	5.2	43,592	6.4	+ 6,301	4.0
	715,674	100	678,974	100	- 36,700	

---

Data Source: 1970 Census, PHC(1)-189 Table P-1  
1980 Census STF-1A Table 10

B. POPULATION BY RACE - 1980

<u>White</u>	395081	<u>Spanish Origin</u>	83,373
<u>Black</u>	86414	<u>Mexican</u>	32,633
<u>Indian, Eskimo, and Aleut:</u>		<u>Puerto Rican</u>	5,174
American Indian	3358	<u>Cuban</u>	1,397
Eskimo	120	<u>Other Spanish</u>	44,169
Aleut	70		
<u>Asian and Pacific Islander:</u>			
Japanese	12046		
Chinese	82480		
Filipino	38265		
Korean	3763		
Asian Indian	2317		
Vietnamese	5583		
Hawaiian	894		
Guamanian	279		
Samoan	1799		
<u>Other</u>	46505		

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Data Source: 1980 Census STF-1A Tables 7, 8. Note that Spanish origin is a self-identification made in addition to classification in a specific racial group.



TABLE 3  
SCHOOL ENROLLMENT IN SAN FRANCISCO  
1970-1980

	<u>1970</u>	<u>1975</u>	<u>1980</u>
Public Schools	79,264	68,189	55,981
Private Schools	27,660	29,088	27,809
Total	106,924	97,277	83,790

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Data Source: California Department of Education Enrollment Reports, 1970-1980.

#### B. Household Characteristics

Though the city lost 36,700 (5.2%) residents between 1970 and 1980, it gained 3,756 (1.3%) households. The gain is caused by the decline in the average household size, which dropped from 2.34 in 1970 to 2.19 in 1980. The decline in household size is in turn due in large part to the population make-up of the city, which has a large elderly as well as a significant young adult population. The 1980 census indicates that the elderly population (65 years and over) constitutes 15.4% of the population (Table 1), yet it represents 23% of the households (Table 4). The 1980 Census also shows that over 41% of the city's households are occupied by a single individual.\*

The increase in smaller households is also partially caused by the breakup of larger households through divorce and separation and by the immigration of gay and lesbian adults. The Citizens Housing Task Force noted that about 4,200 divorces are being processed every year in the San Francisco Superior Court.\*\* According to the 1980 census, over 76,000 San Franciscans are either divorced or separated. While no reliable data on the size of the city's homosexual population exist, it is generally accepted that they make up a significant segment of the population.

Table 4 provides a profile of household characteristics for the period 1970-1980.

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\*1980 Census, STF 1-A.

\*\*Citizens Housing Task Force Report, p. 41.

TABLE 4  
HOUSEHOLD CHARACTERISTICS 1970-1980

	1970 <sup>1</sup>	1980 <sup>2</sup>
Total Households	295,200	298,956
Persons per Household	2.34	2.19
Persons In Group Quarters	25,763	24,453
% of population	3.6%	3.6%
Large Families (5+ persons)	30,716	24,656
% of Households	10.4%	8.3%
Elderly 65+ years	67,896	67,295
% of Households	23%	22.5%
Female-headed	96,235	107,624
% of Households	32.6%	36%
Overcrowded Households		
1.01-1.50 persons/room	12,893	10,453
1.51 or more	7,895	11,440

Household Income<sup>2</sup>

Less than 50% of median	31%	23%
51-80%	19%	17%
81-120%	23%	21%
More than 120% of the median	27%	39%

Rent and Ownership Costs as % of Income, 1980<sup>3</sup>

Income %	\$0-14,999		\$15,000-19,999		\$20,000+	
	Rent	Own	Rent	Own	Rent	Own
0-19	10	49	41	66	77	78
20-24	12	10	27	9	15	8
25-34	24	12	24	12	8	9
35+	54	30	9	13	0.3	5

Lower Income Households  
Requiring Housing Assistance<sup>4</sup>

Owner Households	1,205
Renter Households	71,220
Total Households	72,425

- 
- Data Source: <sup>1</sup> 1970-1980 U.S. Census
- <sup>2</sup> The 1970 figures are estimates by ABAG, as the 1970 Census had family income, not household income. The 1980 Census had family and household income data.
- <sup>3</sup> Note that column totals do not equal 100%, due to rounding of the percentages.
- <sup>4</sup> Housing Assistance Plan, City and County of San Francisco, 1979, Table II-1.

## C. Changes in Population and Household Characteristics

Table I shows that San Francisco lost population in the previous decade. Despite this, there are indications that the city may increase in population in the coming decade because of increases in employment in the City and a high rate of foreign in-migration to the city.

### 1. Migration

Department of Motor Vehicles driver's license registration data shows (Table 5) that there was net in-migration into San Francisco in 1980, as opposed to a net out-migration in 1976. The net gain in migration from other parts of the U.S. increased from 8,657 in 1976 to 8,977 persons in 1980. While more San Francisco residents moved to other parts of the state (outside the Bay Area) in 1976 than those moving in, the 1980 data showed the reverse with a net gain of 659 persons. Though the city still is losing more residents to other parts of the Bay Area than gaining from them, the net loss through out-migration to other Bay Area counties shows a slight decrease. It should be noted that DMV data only includes individuals who apply for a driver's license. Thus, those under 18 who cannot drive, people who have never learned to drive, or those who do not maintain a valid driver's license are not included in the data. Even with these limitations, the data can serve as a useful indicator of migration patterns.

San Francisco also serves as a major port of entry into the United States for foreign immigrants. The Citizens Housing Task Force predicted that foreign in-migration would continue at the rate of 1,500 to 3,500 persons per year. According to Immigration and Naturalization Services records, there are approximately 89,000 aliens living in the city (Table 6) of which 17,000 are Indo-Chinese.



TABLE 5

NET MIGRATION FOR SAN FRANCISCO BY LOCATION  
AND AGE, 1976 and 1980

<u>Age Group</u>	<u>Total</u>	<u>Rest of Calif.</u>	<u>Bay Area</u>	<u>Rest of U. S.</u>
<u>18-24 Years</u>				
1976	4,068	1,000	- 672	3,740
1980	3,585	1,016	- 523	3,092
<u>25-29 Years</u>				
1976	791	6	-2,387	3,172
1980	1,822	511	-1,766	3,077
<u>30-44 Years</u>				
1976	-2,957	- 512	-3,918	1,473
1980	-2,566	- 385	-4,649	2,468
<u>45-64 Years</u>				
1976	-1,915	- 426	-1,810	321
1980	-1,412	- 331	-1,474	393
<u>64 + Years</u>				
1976	- 653	- 176	- 428	- 49
1980	- 567	- 152	- 362	- 53
<u>Total</u>				
1976	- 666	- 108	-9,215	8,657
1980	862	659	-8,774	8,977

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Data Source: California Department of Motor Vehicles, Annual County Net Migration Reports, as shown in Citizens Housing Task Force Report, San Francisco, July 29, 1981, p. 39.

TABLE 6  
FOREIGN IMMIGRANTS RESIDING IN  
SAN FRANCISCO AND CALIFORNIA

	<u>1978</u>	<u>1980</u>
California	1,283,598	1,440,491
San Francisco	81,073	88,919

---

Data Source: Immigration and Naturalization Services, U.S. Department of Justice, based on the annual alien address registration program data -- the program has been terminated as of January 4, 1982.

TABLE 7  
INDOCHINESE REFUGEES IN  
SAN FRANCISCO AND CALIFORNIA

	<u>1979</u>	<u>1981</u>
California	95,539	178,161
San Francisco	10,360	17,123

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Data Source: California Department of Finance

## 2. Employment

Employment in San Francisco has been growing steadily in the last decade, particularly in office employment due to the city's function as a center for corporate headquarters and financial, real estate and insurance activities. Employment projections point to continuing growth in employment in the next few years.

TABLE 8  
EMPLOYMENT GROWTH IN SAN FRANCISCO  
1970-1985

	<u>1970</u> <sup>1</sup>	<u>1980</u> <sup>2</sup>	<u>1985</u> <sup>2</sup>	<u>1990</u> <sup>2</sup>
ABAG	494,129	560,700	583,200	609,300

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Data Source: 1. Trend Analysis of San Francisco Employment Data, Association of Bay Area Governments, February 1982.  
2. Projections '83, Association of Bay Area Governments, June 1983.

According to the Environmental Impact Report for the Downtown Plan (EE81.3), employment downtown is projected to grow by 41,670 workers between 1984 and 1990 (Table IV.C.15. Assumes the Downtown Plan will be implemented). Labor force statistics show that white collar, office related occupations in San Francisco have steadily increased over blue collar jobs in the manufacturing and industrial areas. This labor force development is expected to continue in the 1980's.

TABLE 9  
EMPLOYED SAN FRANCISCO RESIDENTS  
BY OCCUPATION, 1960-1980

<u>Occupation</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>
Professional, Technical and kindred	12.2%	17.6%	19.2%
Managers, Administrative except farm	8.6	7.9	13.0
Sales Workers	7.6	7.1	10.0
Clerical, kindred	23.9	29.0	24.5
Crafts & kindred	9.9	8.5	7.1
Operatives	11.5	10.2	7.1
Laborers	4.3	3.6	2.6
Farming, Forestry & Fishing	0.2	0.3	0.6
Service Workers	13.9	15.9	16.0
Total	100.0	100.0	100.0

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Data Source: U.S. Census

## II. HOUSING CHARACTERISTICS

### A. General Characteristics

Table 10 describes the basic characteristics of the housing stock in San Francisco. The majority of the city's housing units (68%) were built before 1939. Approximately one-third of the units are single family homes; one-third are in small apartment buildings with two to nine units, and one-third are in large apartment buildings with ten or more units. More than half of the units (58%) have four rooms or less, which means that the units may have only two or fewer bedrooms. Thus the existing housing units are predominantly small.

Two-thirds of San Francisco housing units (66.3%) are occupied by renters. The median rents for vacant units advertised for rent in 1980 ranged from \$289 for a studio to \$588 for a three-bedroom unit. Data from the California Association of Realtors show that for March of 1982, the median selling price of a house was \$131,131. The price of housing in San Francisco ranks among the highest in the country.

### B. Vacancy Rate

The total number of units found vacant by the U.S. Census increased from 1970 to 1980, from 15,190 to 17,395 or by 2,205 units. Yet the number actually available for rent declined by 1,372 units, from 9,855 in April, 1970 to 8,483 units in April, 1980. Thus the effective rental vacancy rate, i.e. the number actually available for rent, was 3.1% in 1970 and had declined to 2.68% in 1980.

Units vacant and for sale were nearly one-and-one-half times their 1970 number (145.8%) in 1980.

An absolute increase of over 3,000 units was recorded in the "other vacant" category, from 2,625 units in 1970 to 5,758 units in 1980, or nearly 120%. Units recorded in this category are not available for rent or for sale. The precise reasons for these vacancies are unknown but are being explored.



TABLE 10  
HOUSING CHARACTERISTICS

<u>1980 Total Housing Units</u> <sup>1</sup>	316,608
<u>Structure Type</u> - Single Family <sup>2</sup>	32.3%
Two-Unit	12.6%
Three-Four Unit	10.1%
Five-Nine Unit	10.7%
Ten Unit or more	34.3%
<u>Unit Size</u> <sup>3</sup>	
1-2 rooms	22%
3-4 rooms	36%
5 rooms	20%
6 or more rooms	21%
<u>Year of Construction</u> <sup>3</sup>	
Pre-1939	68.0%
1940-1949	10.0%
1950-1970	16.7%
1971 -- Present	5.3%
<u>Tenure</u>	
Owner-occupied	33.7%
Renter Occupied	66.3%
<u>Median Sales Price</u> <sup>4</sup>	\$131,131
<u>Rent - All Units</u> <sup>5</sup>	
\$1-\$199	26.9%
\$200-299	34.4%
\$300-399	22.7%
\$400-499	9.5%
\$500 or more	6.6%
Median	\$267
<u>Median Rents of Advertised Vacant Units</u> <sup>6</sup>	
0 bedroom	\$289
1-bedroom	372
2-bedrooms	472
3-bedrooms or more	588
All types	455

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Data Source:

1. 1980 Census, PHC-80-V-6
2. Changes in the S.F. Housing Inventory, 1980, Department of City Planning
3. 1980 Census, STF 1-A, Table 30
4. California Association of Realtors, 3/8/82
5. 1980 Census STF 1-A, Table 43.
6. Rent Survey, Department of City Planning, 1980. These data are derived from a small sample of vacant units which are advertised for rent in the San Francisco Examiner/Chronicle. The median figure differs from the census figures above because the census figure covered all units, while the DCP estimate only vacant units, whose rents are not subject to rent stabilization.

TABLE 11  
CENSUS VACANCY RATE, 1970-1980

	<u>1970</u> <sup>1</sup>	<u>1980</u> <sup>2</sup>	<u>1970-1980</u> <u>Change</u>
Total Housing Units	310,674	316,608	5,934
Occupied	295,484	298,956	3,472
Total Vacant	15,190 (4.8% )	17,395 (5.49%)	2,205
For Rent	9,855 (3.17%)	8,483 (2.68%)	-1,372
For Sale	720 (0.23%)	1,770 (0.56%)	1,050
Rented or Sold	882 (0.28%)	N/A	N/A
Not occupied			
For occasional use	1,108 (0.36%)	1,384 (0.44%)	276
Other vacant	2,625 (0.85%)	5,758 (1.82%)	3,133

---

Data Source: 1. 1970 Census, CNT2 Tape, Table 30  
2. 1980 Census, STF1-A Tape, Table 25

### C. Construction and Demolition

Table 13 presents a tabulation of new construction in the years 1975-1982, which averaged 1,355 units per year. The majority of the units are in large multi-family buildings with ten or more units. This data is from the Department of City Planning's Housing Inventory Reports, which counts units that have received a final Certificate of Completion from the Bureau of Building Inspection. There is a lag of sometimes over one year between the time a unit is completed and occupied and when the building receives a final Certificate of Completion.

Preliminary data indicates that approximately 1200 units were constructed and approximately 100 were demolished in 1983. This net gain of approximately 1100 units is a substantial improvement over the trend since 1979.

Although new construction has dropped off since 1979, permits for new housing units have continued to be authorized at a rate of approximately 1200 units per year. (Table 14.) This would seem to indicate that the decrease in housing construction since 1979 has not been due to a lack of available sites or problems with permit processing, but with financing and other market factors.

Among new units in multi-family structures (2 or more units), the number of condominiums has increased from 22% in 1979 to 86% in 1981 (Table 15.) Note that the increase of rental units in 1982 is probably an aberration; there was a high proportion of Redevelopment Agency units and rental units receiving some form of public subsidy in that year. Because of financing and market conditions, it is expected that there will be little if any rental housing constructed by the private sector in the immediate future. The bulk of new housing will be designed for purchase; rental projects will probably require public financing and subsidies to be

economically feasible. (See Section V. A for analysis on market constraints.)

Demolition since 1975 has averaged 254 units per year, a substantial decrease from the 482 units per year that were demolished from 1971-1980. As shown in Table 16, most of the demolished units between 1975 and 1982 were in buildings containing three or more units and are presumed to have been rental units.

Table 17 shows net change by unit type for the period 1975-1982. Figure I in page 1.16 presents the data on Tables 12, 13, 15, 17 on a trend line.

TABLE 12  
NEW CONSTRUCTION BY UNIT TYPE BY YEAR 1975-1982

	<u>Total(RP*)</u>	<u>1-Unit</u>	<u>2-Unit</u>	<u>3-9 Unit</u>	<u>10-19 unit</u>	<u>20+ unit</u>
1975	2,495 (642)	264	110	266	314	1541
1976	1,480 (419)	196	162	393	197	531
1977	1,616 (129)	239	134	324	209	710
1978	1,375 (494)	150	216	183	100	726
1979	1,516 (440)	260	150	250	158	698
1980	980 (218)	141	142	230	147	320
1981	780 (110)	123	142	161	143	211
1982	589 (166)	50	56	129	50	304
Total	10,831 (2618) (100%)	1,423 (13.1%)	1,112 (10.3%)	1,936 (17.9%)	1,318 (12.2%)	5,041 (46.5%)

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Data Source: Changes in the San Francisco Housing Inventory,  
Department of City Planning, 1975-1982.

\*New construction in redevelopment projects.

TABLE 13  
HOUSING UNITS AUTHORIZED BY BUILDING PERMITS  
1975-1982

<u>YEAR</u>	<u>SINGLE-FAMILY</u>	<u>MULTI-FAMILY</u>	<u>TOTAL</u>
1975	276	866	1142
1976	312	1310	1622
1977	369	1167	1536
1978	227	1818	2045
1979	239	1594	1833
1980	190	1012	1202
1981	83	1159	1242
1982	150	1065	1215
	1846	9991	11,837

---

Data Source: Changes in The San Francisco Housing Inventory,  
Department of City Planning, 1975-1982.

TABLE 14  
DISTRIBUTION OF CONDOMINIUMS AND RENTAL HOUSING  
IN NEW MULTI-FAMILY BUILDINGS, 1979-1980

	<u>Total</u>	<u>Condominiums</u>	<u>Rental</u>
1979	1,256 (100%)	278 (22%)	978 (78%)
1980	839 (100%)	423 (50%)	416 (50%)
1981	657 (100%)	564 (86%)	93 (14%)
1982	539 (100%)	91 (17%)	448 (83%)

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Data Source: Changes in the San Francisco Housing Inventory,  
Department of City Planning, 1980.

TABLE 15  
DEMOLITION BY UNIT TYPE BY YEAR 1975-1982

	<u>Total</u>	<u>1-Unit</u>	<u>2-Unit</u>	<u>3-9 Unit</u>	<u>10-19 Unit</u>	<u>20+ Unit</u>
1975	439	29	34	225	51	100
1976	707	69	40	242	77	279
1977	136	48	20	54	14	0
1978	174	43	18	69	44	0
1979	114	46	40	13	15	0
1980	128	42	14	41	10	21
1981	288	44	24	70	36	114
1982	42	25	10	7	0	0
Total	2028	346	200	721	247	514
%		(17.1%)	(9.9%)	(35.6%)	(12.2%)	(25.3%)

---

Data Source: Changes in the San Francisco Housing Inventory,  
Department of City Planning 1975-1982



TABLE 16  
SHARE OF DEMOLITION ACCOUNTED FOR BY PUBLIC ACTION, 1975-1982

Year	<u>Total Units Demolished</u>	<u>Demolished as a Result of Public Action</u>	<u>Public Action as Percent of Total</u>
1975	439	296	67.4
1976	707	498	70.4
1977	136	17	12.5
1978	174	60	34.5
1979	114	9	7.9
1980	128	16	12.5
1981	288	112	38.9
1982	42	0	0
Total	2,028	1008	49.7

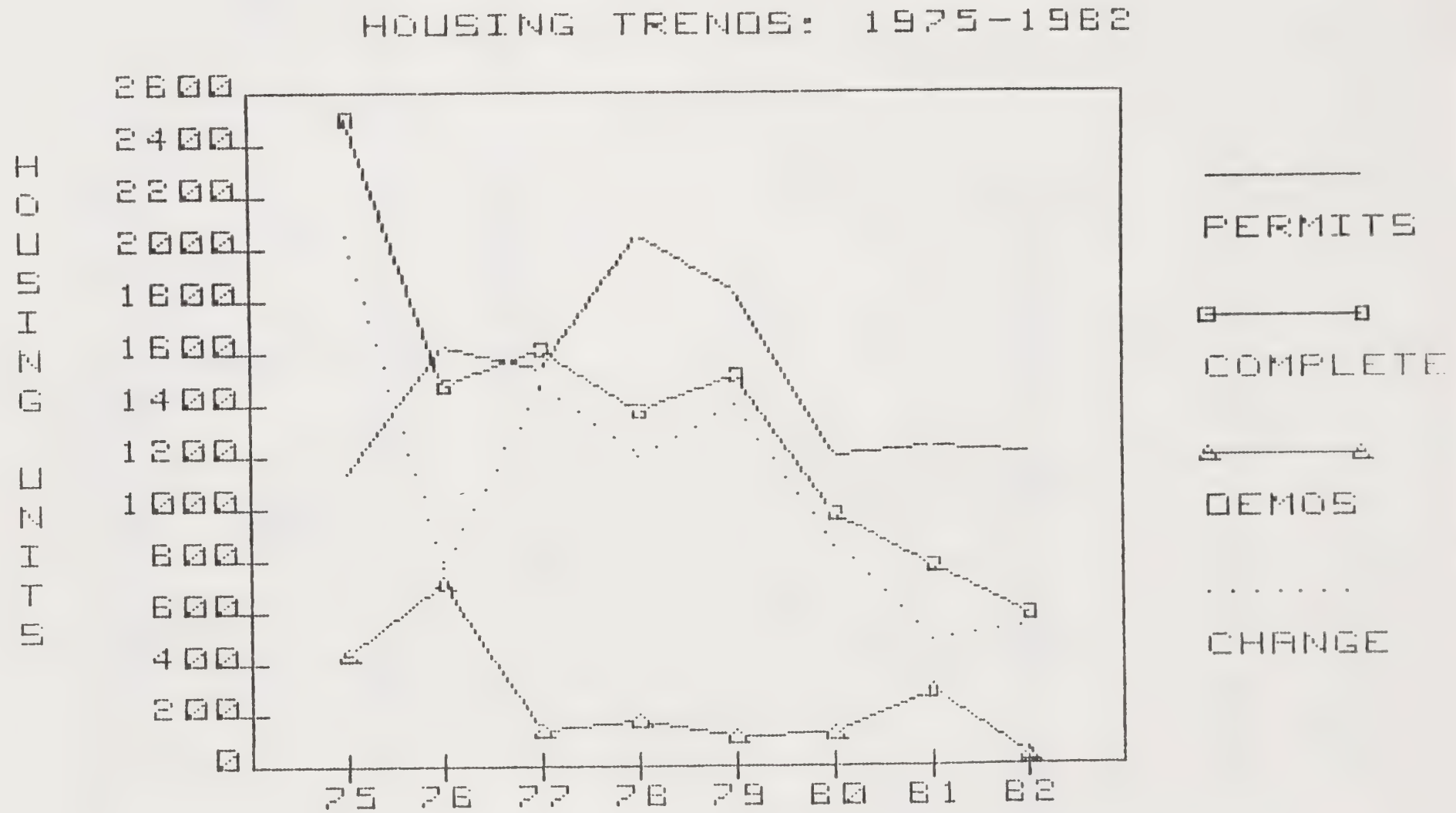
Data Source: Changes in the San Francisco Housing Inventory,  
Department of City Planning, 1975-1982.

TABLE 17  
NET CHANGE 1975-1982

	Total	1-Unit	2-Unit	3-9 Unit	10-14 Unit	
20						
1975	2056	235	76	41	263	1441
1976	773	127	122	152	120	252
1977	1480	191	114	270	195	710
1978	1201	107	198	114	56	726
1979	1402	214	110	237	143	698
1980	852	99	128	189	137	299
1981	492	79	118	91	107	97
1982	<u>547</u>	<u>25</u>	<u>46</u>	<u>122</u>	<u>50</u>	<u>304</u>
	8803	1077	912	1216	1071	4527
%	100%	12.2%	10.4%	13.8%	12.2%	51.4%

Data Source: Changes in the San Francisco Housing Inventory, Department  
of City Planning, 1975-1982

FIGURE I



#### D. Changes in the Rental Stock

Loss of rental housing occurs not only through demolition but also by way of condominium conversion. The City's Subdivision Code allows the conversion of a maximum of 200 units of rental housing per year to condominiums, subject to certain conditions. Though condo conversion potentially offers more homeownership opportunities, not all condos are actually occupied by their owners. According to administrative records of the Assessor's Office, only 46.9% of condo purchasers have claimed homeownership exemption.\* This record supports a finding of the Department of City Planning's investigation of selected condominiums, which indicated that only about 41% of condos sold were occupied by owners.\*\*

Another source of rental housing loss is the conversion of residential units to non-residential uses. Table 18 indicates the substantial loss of residential hotel units due to demolition and conversion that occurred between 1975 and 1980. In November 1979, the Board of Supervisors established a moratorium on the demolition and conversion of residential hotel units. The present ordinance became effective July 27, 1981. Table 19 indicates that the rate of housing loss has been greatly reduced with the enactment of the moratorium and subsequent controls on demolition and conversion. Much of the 1980-82 differences of 1421 units can be attributed to the different methodologies employed by the two reports. The 1980 report was based on hotel tax records, in which there was an incentive to under-report tourist units in "record" houses thus showing the original estimates to be slightly high for residential (nontaxed) units. Some of the differences may also be due to the incentives to over-report tourist units in the unit usage reports required under the hotel ordinance.

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\*Administrative Records of the Assessor's Office, December 1981

\*\*Condominium Research, Preliminary Progress Report, Department of City Planning, December 1981. This study included only units in buildings that filed tentative map applications for condominium status after January 1, 1974 and received map approval before March 31, 1981.



TABLE 18  
LOSS OF HOUSING THROUGH DEMOLITION AND  
CONVERSION OF RESIDENTIAL HOTELS 1975-1980

	<u>Number of Units</u>
Demolition	985
Commercial Conversion	251
Conversion to Tourist Use	2459
Total	3695

Data Source: A Study of the Conversion and Demolition of Residential  
Hotel Units, Department of City Planning, November  
1980.

TABLE 19  
STATUS OF RESIDENTIAL HOTELS IN SAN FRANCISCO, 1982

	<u>No. of</u> <u>Buildings</u>	<u>Residential</u> <u>Units</u>	<u>Tourist</u> <u>Units</u>	<u>Total</u>
Total 1982	618	25,379	26,260	51,639
1980 DCP Report	647	26,800	24,633	51,433
Difference	-29	-1421	+1,627	+206

Data Source: Report on the Operation of San Francisco's Residential  
Hotel Conversion and Demolition Ordinance, Department  
of City Planning, March 1983

TABLE 20

LOSS OF HOUSING THROUGH CONVERSION OF APARTMENTS  
TO NON-RESIDENTIAL USE IN NON-RESIDENTIAL ZONES  
BY PLANNING DISTRICT 1970-1980

<u>Planning District</u>	<u>Number of Units</u>
Richmond	123
Marina	161
Northeast	184
South of Market	54
North of Market	12
Western Addition	96
Buena Vista	52
Central	74
Central Hills	1
Mission	73
South Bayshore	12
Bernal Heights	6
Outer Mission	2
Visitacion Valley	0
OMI	12
Inner & Outer Sunset	68
Total	930

Data Source: A Study of Conversion of Apartments to Non-Residential  
Uses in Commercial and Industrial Areas, S. F.  
Department of City Planning, 1981

TABLE 21  
LOSS OF HOUSING THROUGH CONVERSION OF APARTMENTS TO  
NON-RESIDENTIAL USE IN NON-RESIDENTIAL ZONES BY  
YEAR 1970-1980

<u>Year</u>	<u>Number of Units</u>
1970	37
1971	25
1972	28
1973	45
1974	83
1975	142
1976	172
1977	155
1978	127
1979	130
1980 (est)	150

Data Source: A Study of Conversion of Apartments to Non-Residential  
Uses in Commercial and Industrial Areas, S.F.  
Department of City Planning, 1981

## E. Housing Condition

As discussed above, the majority of the city's housing stock is more than 40 years old. Thus maintenance of the housing stock in sound condition is a major concern. In 1969 the City's Bureau of Building Inspection instituted a Systematic Code Enforcement Program designed to bring all residential structures with three or more units into code compliance. As part of the code enforcement program, the Bureau has continued to maintain a record of the condition and the status of code compliance of each multi-unit residential building in the city. The goal of the program is for the Bureau to conduct complete inspection of 1,000 buildings with 10,000 units annually, beginning with the buildings which were identified as having the most serious code violations in 1969.

A Department of City Planning's Housing Condition Study (1974), based on the code enforcement records of BBI as of Fall 1972, indicated that 36% (75,000 units) of all multi-family units had at least one code deficiency, and 8% (16,400 units) of the same units were in poor condition with two or more code violations. The condition of single family and two-unit buildings, which were not subject to code enforcement, was found to be better than the multi-family buildings as only about 3,000 of these units were classified as being in poor condition for having two or more code deficiencies.

Since the 1974 Study, there has been no comprehensive assessment of housing condition in San Francisco. The records of BBI indicate that since 1972, 56,700 units have been brought up to code at a rate of almost 6,000 units per year. This would imply that 21,300 of the 78,000 units still have code deficiencies. While this figure does not take into account units that have become substandard since 1972, it also does not include the number of units that have undergone voluntary rehabilitation in the past ten years. It is the only reasonably accurate estimate of housing condition that is available from City records.

The California Department of Housing and Community Development (HCD) is preparing a Statewide Housing Element. Using estimates of inventory change from the Bureau of the Census and other surveys, HCD estimates that approximately 40,600 units in San Francisco are in need of rehabilitation. Until an up-to-date housing condition survey can be undertaken it would be appropriate for planning purposes to assume that San Francisco has somewhere between 21,000 and 40,000 units in need of rehabilitation.

TABLE 22  
ESTIMATED NEED FOR REHABILITATION

	<u>Total</u>	<u>3+ Unit</u>	<u>1-2 Unit</u>
Number of Units with Code Deficiencies <sup>1</sup>	78,000	75,400	2,600
Number of Units Rehabilitated <u>1974-1981</u> <sup>2</sup>	56,700	NA	NA
Number of Units to be Rehabilitated	21,300	NA	NA

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Data Source: <sup>1</sup> Housing Condition Study, Department of City Planning, 1974.

<sup>2</sup> Administrative Records, Bureau of Building Inspection, 1974-1981.



### III. HOUSING NEEDS

#### A. Estimates BY INCOME GROUPS

The Association of Bay Area Governments (ABAG) is required by law to determine the existing and projected housing need for the region. (Government Code Section 65584). This projection is to include each jurisdiction's share of the housing need of persons at all income levels within the region. In response to this requirement, ABAG adopted in December of 1983 a report entitled Housing Needs Determinations for the San Francisco Bay Area. The 1980-1990 housing need for San Francisco as estimated by ABAG is shown on Table 23.

The most recent revision of the Residence Element (April 1983), includes an estimated income distribution for San Francisco for the period 1980-1990 very similar to the one presented in Table 23 for 1980-1990. (53% low and very low, 47% moderate and above). As explained in the April 1983 Residence Element, DCP staff disagreed with that estimate and prepared a revised income distribution. That revision was subsequently approved by ABAG.

The California Department of Housing and Community Development (HCD) has the responsibility of ensuring that the regional housing needs estimate is consistent with statewide housing needs. (Gov't Code §65584 (a)). HCD has the authority to revise the determination, if necessary, to achieve this consistency. In 1983 HCD reviewed the income distribution for San Francisco as approved by ABAG and questioned the appropriateness of the numbers. DCP staff worked closely with HCD to develop a mutually acceptable income distribution, which was incorporated into the April 1983 Residence Element.

That income distribution is still relevant as an indicator of San Francisco's future housing needs. The forces contributing to the projected growth in housing demand in San Francisco are the same for the next five years as they were projected to be in 1983. Moreover, as explained in the April 1983 Residence Element, ABAG's estimates are designed to move local jurisdictions towards the regional income distribution. California Government Code Section 65584(a) requires that the income distribution allocations to local governments seek to avoid further impaction of localities with relatively high proportions of lower income households. San Francisco has substantially more existing lower income households than the regional average (about 50% versus 40%). This difference exceeds San Francisco's fair share of lower income households and constitutes impaction. The ABAG income distribution will not relieve this impaction. For these reasons, the Department believes that the 1983 DCP/HCD income distribution is a more accurate estimate of the city's future housing needs than the ABAG projection. (See Table 23).

Because the element had been so recently revised, the Department did not participate in the process through which ABAG estimates housing need. However, on October 29, 1983 ABAG was advised by letter that the Department considered the estimates adopted in the April 1983 Housing Element to be the most accurate estimates of housing need for inclusion in the housing element. Under Section 65584(c) of the California Government Code, a city can revise the estimates of the Regional Council of

Governments (ABAG), even if the revision is not accepted by ABAG. However, HCD has advised the Department that since the letter to ABAG was dated one day after the expiration of the review period, the housing element must recognize the ABAG estimates.

The Department considers the 1983 DCP/HCD estimate to be a more accurate estimate of the city's future housing needs. However, because of HCD's conclusions, the City is using the ABAG figures as the estimate of housing need.

TABLE 23  
ESTIMATED HOUSING NEEDS, 1980-1990

	<u>ABAG</u> <sup>1</sup>	<u>DCP/HCD</u> <sup>2</sup>
1. New construction	14,833 units	
2. Tenure Renter occupied	9,834 (66%)	
Owner occupied	4,999 (34%)	
3. Distribution of House-		
Hold by Income Group		
very low income	4,450 (30%)	1928 (13%)
(less than 50% of		
median)		
low income	2,670 (18%)	1483 (10%)
(51-80%)		
moderate (81-120%)	2,967 (20%)	4747 (32%)
above moderate	4,746 (32%)	6675 (45%)
(120% +)		
4. Unit Type		
Single-Family	5,295	
Multiple units	9,538	

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Data Source:

1. Housing Needs Determinations, San Francisco Bay Area, Association of Bay Area Governments, December 1983
2. DCO/HCD Estimate, see page 1.19.

## B. SPECIAL HOUSING NEEDS

### 1. Disabled

The handicapped require special types of housing to meet their special needs. According to the Federal Rehabilitation Act of 1973 (as amended in 1978) "the term 'handicapped individual' means ... any person who (i) has a physical or mental impairment which substantially limits one or more of such person's major life activities, (ii) has a record of such impairment, and (iii) is regarded as having such impairment."

In California, the incidence of disability in the civilian, non-institutionalized population, aged 16-64, is 10.5%. Approximately three-quarters of those disabled (7.7%) are considered severely disabled.\* It has been estimated that 12.8% (87,146 persons) of San Francisco residents are disabled and 10.2% (69,187 persons) are severely disabled.\*\* In addition, it has been estimated that there are 8,500 (1.2%) psychiatrically disabled people in San Francisco.\*\*\*

TABLE 24  
ESTIMATE OF DISABLED RESIDENTS

	<u>Disabled</u>	<u>Severely Disabled</u>
California	10.5%	7.7%
San Francisco	12.8%	10.2%

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Data Source: Independent Housing Services, December 1981.

Based on the type of activity and mobility limitations suffered by the disabled (Tables 25 and 26), Independent Housing Services estimates that approximately 40% of the disabled population (34,800 persons) would need housing that is easily accessible. Accessible housing means that certain design features, such as the height of cabinets, positioning of outlets, special layout of appliances, and wide interior circulation space to accommodate a wheelchair should be incorporated in a housing project.

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\*California Disability Survey, California Department of Rehabilitation, September 1979.

\*\*Independent Housing Services (a non-profit community agency which specializes in housing programs for the elderly and the disabled).

\*\*\*Report by Alan Leavitt, Program Chief for Community Mental Health Services in San Francisco, July 6, 1982.

TABLE 25  
ACTIVITY LIMITATION

<u>Limitation</u>	<u>Rate among Disabled/Number of SF Disabled*</u>	
Lifting or carrying more than 10 pounds	52.3%	27,608
Standing for long periods	48.8	25,760
Stooping/crouching/kneeling	47.9	25,285
Using stairs or inclines	39.1	20,640
Walking	38.6	20,376
Sitting for long periods	32.3	17,050
Reaching	26.4	13,936
Lifting or carrying less than 10 pounds	24.1	12,722
Using hands or fingers	22.9	12,088

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Data Source: Independent Housing Services, December, 1981.

\* Table shows disability for San Franciscans in the 16-64 age group only.

TABLE 26  
MOBILITY LIMITATIONS

<u>Limitation</u>	<u>Rate Among Disabled/Projected Number of Persons</u>	
Cannot climb stairs	33.31%	29,028
Require crutches	5.93	5,158
cane	19.28	16,802
walker	6.76	5,891
braces or prosthetic	5.09	4,436
(Subtotal)	(37.06)	(25,163)
Cannot see street, destination signs	39.2	34,161
Difficulty hearing	9.84	8,576
Cannot walk long distances easily	39.2	34,161
Can go only 1-2 blocks before tiring	42.6	37,124
Can go a few yards only	18.2	15,860
Require wheelchair	11.77	10,257

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Data Source: Independent Housing Services, December, 1981



## 2. Elderly

According to the 1980 Census, over 15% of San Francisco's population, 104,285 people, are 65 or more years of age. 67,322 (64.6%) of these are heads of households. 13,436 (20%) of the households headed by seniors 65 years or older are below 125% of the poverty threshold, as determined by the Bureau of the Census. This threshold income is approximately \$4400 per year for a two person household.

## 3. Female Heads of Households

The 1980 Census estimates that 107,784 households (36%) are headed by females. 17,053 (16%) of these female headed households contain one or more persons under 18 years old. The incomes of these households are not known. The City's 1979 Housing Assistance Plan identifies 33,010 female headed households needing some form of housing assistance.

## 4. Large Family Housing Needs

The 1980 Census estimates that 24,686 households (8.3%) in San Francisco are occupied by five or more persons. The City's 1979 Housing Assistance Plan identifies 6,299 large family households which need some form of housing assistance.

## 5. Housing for the Homeless

In 1982, a number of private, nonprofit agencies in San Francisco were experiencing a dramatic increase in the number of persons requesting housing. According to the Mayor's Task Force on the Homeless, the number of homeless people currently living in San Francisco may conservatively be estimated at 2000 to 2500.

Responding to the needs of the homeless requires broad-based cooperation between many public and private agencies. Much has already been done to respond to the immediate issue of providing emergency shelter for those individuals. While food, clothing, medical service, and social support are all critical questions in need of resolution, long term shelter answers are essential if the status of the homeless is to be effectively improved.

# IV. INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT

## A. Quantity and Location

In 1979, the Department of City Planning conducted a survey of all vacant land zoned residential in the city. It has also assessed housing potential in non-residentially zoned districts, including potential surplus public lands, on sites which are either vacant or are substantially underdeveloped. The results of the various assessments are shown in Table 25. A number of the sites would require zoning changes before residential structures could be developed.

TABLE 27

HOUSING OPPORTUNITY SITES

	<u>Potential Units</u>
A. Vacant residentially zoned land	4,100
B. Publicly owned land <sup>1</sup>	1,800
C. Redevelopment Areas	
(1) Yerba Buena Center	2,011
(2) Western Addition A-1	150
(3) Western Addition A-2	1,212
(4) Fillmore Center	166
(5) Hunters Point	751
(6) Rincon Point - South Beach	<u>2,500</u>
TOTAL	6,790
D. Selected mixed residential-commercial use areas <sup>2</sup>	
(1) Van Ness Corridor	1,000
(2) North of Market	1,000
(3) Downtown	1,000
(4) South of Market	2,000
(5) Rincon Hill	3,700
(6) Mission Bay	8,800
E. Residentially zoned land developed at less than allowable density	27,000
GRAND TOTAL	57,190

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<sup>1</sup> See Table 28 for specific sites. The range from Table 28 was rounded off to 1,800 to simplify the table.

<sup>2</sup> The numbers in Subsection D are general estimates of what is likely to be built over the next 15 to 20 years under proposed rezonings.

TABLE 28  
Housing Opportunities on Publicly Owned Land

	<u>Assessor's Block</u>	<u>Area (s.f.)</u>	<u>Potential Units</u>
A. Unified School District sites <sup>1</sup>			
1. Gough	617	17,462	12
2. Marshall Annex	3554	36,400	160
3. Grant	963	58,900	19
4. Sutro Annex	1415	36,000	36
5. Jose Ortega	7073		
	7074	12,500	5
	7075		
6. Twin Peaks	2745		
	2756	38,768	15
7. Polytechnic	1265	165,528	140
8. Francis Scott Key Annex	1797	60,000	40
Total			<u>427</u>
B. Municipal Railway Sites <sup>2</sup>			
1. Kirkland Busyard	19	113,438	280
2. Presidio Busyard	1072	225,300	375
3. 24th & Utah	4213	80,000	200
Total			<u>855</u>
C. Port Sites <sup>3</sup>			
1. Pier 45	Pier 45	479,160	350-550
Grand Total			1,632-1,832

- 
- <sup>1</sup> These sites have been identified as being surplus to school use. All of these sites are within or adjacent to residential uses and are appropriate for housing. Sites 1-8 have been rezoned from public to residential use.
- <sup>2</sup> These sites presently contain Muni Railway facilities. They are appropriately located for housing. Whether these sites will be declared surplus or could be jointly developed with housing and Muni facilities is being determined.
- <sup>3</sup> A portion of Pier 45 is proposed for housing in the Fisherman's Wharf Action Plan (FWAP), prepared by the Port. Amendments to the Northeastern Waterfront element of the City's Master Plan, as proposed in the FWAP, are currently undergoing environmental evaluation.



**MAP A**

## HOUSING OPPORTUNITIES

- HOUSING OPPORTUNITIES ON PUBLICLY OWNED LAND SITES
- SELECTED MIXED RESIDENTIAL-COMMERCIAL USE AREAS
- A. Van Ness Corridor
- B. North of Market
- C. Downtown C-3-G & S Districts
- D. South of Market
- E. Rincon Hill
- F. Mission Bay

1.28

NOTE: APPROPRIATE DENSITIES WILL BE  
DETERMINED IN THE REZONING STUDIES



## B. Appropriateness of Sites for Subsidized Rate Housing

The housing opportunity sites listed on Table 28 will meet the statutory standards for the development of subsidized housing under federal and state housing programs, particularly the requirements concerning impactation due to a concentration of minority residents or subsidized housing, for the following reasons:

(1) The existing residentially zoned vacant land is mostly small parcels ranging from 614 square feet to 106,512 square feet, with the vast majority within the 2,000-6,000 square feet range. Further, of the approximately 2,760 vacant parcels, more than 95% are zoned RH-1 to RH-3, which means that development on these sites will be low density. Since the parcels are small, zoned for low density development, and are scattered throughout the city, non-market rate development of these parcels will not create a problem of impactation.

(2) The publicly-owned land is also scattered throughout the city.

(3) Map A indicates the location of future housing areas. The area north of Market has been designated as a neighborhood strategy area (NSA), and has a higher share of subsidized housing than the other areas identified on the map. Some portions of south of Market area, may be considered impacted because of the subsidized elderly housing projects located in the area. Location of subsidized housing in those areas will be closely monitored to avoid impactation. The other areas will be developed with substantial amounts of market rate housing and should not present impactation problems.

## C. Acceptability of Low Rent Housing

Article 34, Section 1 of the California Constitution requires the approval of the electorate as a condition to the development or acquisition of a low rent housing project by the local jurisdiction. San Francisco has met the requirement with the city's voters approving the development of a maximum of 3,000 low income housing by a vote on Proposition Q on November 2, 1976. Together with the units previously approved, approximately 4,000 low income housing units may yet be developed, constructed or acquired.

## V. CONSTRAINTS ON MAINTENANCE, IMPROVEMENT OR DEVELOPMENT OF HOUSING

### A. Market Constraints

Housing costs in the San Francisco Bay Area are among the highest in the nation. The high cost of development, financing and land costs are the most serious barriers to the provision of affordable housing in the city.

Though the cost of new housing depends on the location, the size and the type (lowrise, highrise) of a project, the Citizens Housing Task Force has reported that the average cost for a multi-family unit was \$112 per square foot in 1980. Based on actual projects under development, average development cost of highrise housing was approximately \$131 per square foot in the early part of 1981.\*

The analysis below indicates the affordability of newly constructed housing units to low and moderate income residents in San Francisco, the following analysis is based on the median household income in San Francisco for July 1981 and an average multi-family project which has 25 units on a lot of 5,000 square feet, representing the highest density development in San Francisco at 200 square feet per non-elderly unit. Table 29 shows the median income by household size for households with very low income (50% or less of the median), low income (51%-80% of the median) and moderate income (81% to 120% of the median). Table 30 shows the maximum housing cost affordable to a family of three for each income group, as well as the purchase price of a housing unit affordable to each income group.

Table 31 shows the production cost and the sale price of each unit in the project by unit type, assuming that a studio has an area of 500 square feet; 650 square feet for a one-bedroom, 800 square feet for a 2 bedroom and 1,000 square feet for a 3 bedroom unit. The production cost is based on the 1981 figure of \$131 per square foot and the purchase price includes a 20% fair return to the developer.

Table 32 compares what a household with a particular income could afford and the market rate cost of a unit, assuming a mortgage interest rate of 15% under a 30 year conventional loan.

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\*Based on a limited project survey of data collected by the Office of Housing and Community Development

TABLE 29  
MEDIAN INCOME BY HOUSEHOLD SIZE FOR  
LOW AND MODERATE INCOME GROUPS

	Household Size					
	1	2	3	4	5	6
median income (100%)	\$21,400	24,400	27,500	30,500	32,400	34,400
very low income (50% or less)	\$10,700	12,200	13,750	15,250	16,200	17,200
low income (51-80%)	\$17,120	19,520	22,000	24,400	25,920	27,520
moderate income (81-120%)	\$25,680	29,280	33,000	36,600	38,880	41,280

Data Source: U. S. Department of Housing and Urban Development,  
 July 1981.

TABLE 30  
MAXIMUM MONTHLY HOUSING COST AND  
AFFORDABLE PURCHASE PRICE FOR A SAN FRANCISCO FAMILY OF THREE

	<u>Annual Income (1)</u>	<u>Affordable Debt Service (2)</u>	<u>Affordable Purchase Price (3)</u>
Very low 50% of Median	13,750	344	34,019
Low 80% of Median	22,000	550	54,390
Moderate 120% of Median	33,000	825	81,586

(1) Family of three

(2) 30% of income

(3) 20% downpayment, 30 year fixed rate mortgage at 15% interest

TABLE 31  
PRODUCTION COST AND SALES PRICE, BY UNIT TYPE

	Unit Type			
	Studio (500 s.f.)	1-bedroom (650 s.f.)	2-bedroom (800 s.f.)	3-bedroom (1,000 s.f.)
Production Cost	\$65,500	85,150	104,800	131,000
Sales Price	\$78,600	102,180	125,760	157,200
80% Mortgage	\$62,880	81,744	100,608	125,760
Monthly Payment	\$ 795	1,034	1,272	1,590

TABLE 32  
COMPARISON OF AFFORDABLE PURCHASE  
PRICE AND MARKET RATE PRICE

	Annual Household Income <sup>1</sup>	Affordable Monthly Payment <sup>2</sup>	Monthly Mortgage Payment <sup>3</sup>	Affordability Gap
50% Median	\$13,750	344	1,214	870
80% Median	\$21,950	549	1,214	665
Median	27,450	686	1,214	528
120% Median	33,000	825	1,214	389
150% of Median	41,250	1,031	1,214	183

<sup>1</sup> Family of three, see Table 29.

<sup>2</sup> 30% of income

<sup>3</sup> Based on sales price of \$120,000, 20% down payment, 30 year fixed rate mortgage at 15% interest



As indicated in Table 32, the affordability gap for low and moderate income households, which ranges from 30% to 74%, is so large that the very low income household could only afford 25-30% of the market rate cost. Similarly moderate income households could only bear 55% - 70% of the market rate cost under the current production and financing conditions.

Public actions, such as density bonus and mortgage revenue bonds, have been employed by local governments to reduce housing costs. Table 33 shows the extent of reduction in a hypothetical 25-unit project when a 20% density bonus adds 5 units to the project, assuming that land cost constitutes 25% of the total production cost. Mortgage bond financing provides below market rate take-out financing to purchasers, thereby reducing the payment for amortizing the mortgage. Table 34 displays cost reductions through below market rate mortgage financing at 13% and 10%.

TABLE 33  
COST REDUCTION THROUGH DENSITY BONUS

	Unit Type			
	Studio (500 s.f.)	1 bedroom (650 s.f.)	2 bedroom (800 s.f.)	3 bedroom (1,000 s.f.)
Production Cost	\$62,770	81,600	100,430	125,540
Sale Price	\$75,324	97,992	120,516	150,648
Cost reduction (See market rate sale price in Table 28)	\$ 3,276 (4%)	4,188 (4%)	5,244 (4%)	6,552 (4%)
Reduction in monthly payment	\$33 (4%)	43 (4%)	53 (4%)	66 (4%)

TABLE 34  
COST REDUCTION THROUGH MORTGAGE BOND FINANCING

	Unit Type			
	Studio	1-bedroom	2-bedroom	3-bedroom
Mortgage Amount (80% of Market Rate Sales Price)	\$62,880	81,744	100,608	125,760
Monthly Payment 15%	\$ 795	1,034	1,272	1,590
13% (Cost Reduction)	\$ 695 (13%)	904 (13%)	1,113 (13%)	1,391 (13%)
10% (Cost Reduction)	\$ 552 (31%)	717 (31%)	883 (31%)	1,104 (31%)

As shown in Tables 33 and 34, density bonus alone would reduce production cost by about 4% and below market rate financing would reduce the payment by 13% to 31%. Such reductions apparently are not adequate for low and moderate income households whose affordable housing costs are still below what these reduction mechanisms can provide, except in the case of moderate income households which might be able to afford market rate housing if mortgage financing is as low as 10% and if the units are 2-bedroom or less.

This assessment of affordable housing demonstrates that public actions alone are insufficient to reduce housing costs. The private sector also needs to provide innovative mechanisms to reduce housing production cost, through more efficient designs and other methods. Table 35 shows how total unit cost could be substantially reduced if an average size of a studio is reduced from 500 to 300 square feet, a 1-bedroom unit from 650 to 450 square feet, a 2-bedroom unit from 800 to 600 square feet and a 3-bedroom unit from 1,000 to 750 square feet.

Table 36 shows the extent of cost reduction if a project could utilize density bonus, mortgage bond financing, and reduction in unit size simultaneously to reduce the cost.

TABLE 35  
COST REDUCTION THROUGH UNIT SIZE REDUCTIONS

	Unit Type			
	Studio (300 s.f.)	1-bedroom (450 s.f.)	2-bedroom (600 s.f.)	3-bedroom (750 s.f.)
Production Cost	\$39,300	58,950	78,600	98,250
Sale Price	\$47,160	70,740	94,320	117,900
Cost Reduction (based on Sale Price in Table 28)	40%	31%	25%	25%

TABLE 36

COST REDUCTION THROUGH CONCURRENT  
DENSITY BONUS, MORTGAGE BOND FINANCING  
AND UNIT SIZE REDUCTION

	Unit Type			
	Studio (300 s.f.)	1-bedroom (450 s.f.)	2-bedroom (600 s.f.)	3-bedroom (750 s.f.)
Reduction Cost	\$37,660	56,500	75,320	94,160
Sale Price	\$45,200	67,800	90,390	113,000
80% Mortgage	\$36,160	54,240	72,310	90,390
Monthly Payment:				
at 13%	\$ 400	600	800	1,000
at 10%	\$ 317	476	635	793

If the cost figures in Table 36 are compared with the affordable housing cost in Table 30, it is evident that with multiple cost reduction mechanisms, households with moderate income could afford housing in most cases. However, low income households, no matter how large, could only afford small units no larger than an efficient 1-bedroom. For very low income households, even more cost reductions or subsidies would be necessary.

Rental housing cost in the city is also very high. The following table, taken from the Citizen's Housing Task Force Report, illustrates the gap between income and expenses in the development of rental housing.

TABLE 37

THE AFFORDABILITY GAP IN MULTI-FAMILY CONSTRUCTION:  
SAN FRANCISCO, 1980

	<u>Studio</u>	<u>1-Bedroom</u>	<u>2-Bedroom</u>
(1) Size of Unit (sq. ft.)	500	750	1,000
(2) Production Cost	\$57,500	\$83,500	\$110,000
(3) Monthly Rent with Con- ventional Mortgage @ 13%	\$690	\$995	\$1,340
(4) Monthly Rent with 7 1/2% Mortgage	\$445	\$640	\$850
(5) DCP Survey: Median Rents	\$292	\$382	\$572
(6) Affordability Gap (5) ./.(3)	42.3%	38.4%	42.6%
(7) Affordability Gap (5) ./.(4)	65.6%	59.2%	67.3%

Notes: Production cost was estimated on a per square foot basis from both current projects and builder interviews. Construction cost varies depending on the number of bedrooms. Also included is a "normal" or average profit.

Per Square Foot Costs

Construction (Hard Costs)	\$60.00
Land	20.00
Overhead	6.00
Financing	10.00
Profit	15.00
Total Cost	<u>\$112.00</u>

Data Sources: Federal Home Loan Bank of San Francisco; Real Estate Research Council of Northern California; San Francisco Redevelopment Agency; Key Informant Interviews.  
 Taken from the Citizen's Housing Task Force Report,  
 July 29, 1981, p. 76.



## B. Governmental Constraints

### 1. Land use and development controls

The density for housing development in San Francisco ranges from 4,000 sq. feet of lot area per unit in RH-1 districts (single family) to 200 sq. ft. per unit in RM-4 districts (residential mixed district, high density). Except for single family units in RH-1(D) (single family detached) districts which require a lot width of 33 feet and an area of 4,000 sq. ft., the minimum lot size for housing development is 2,500 sq. ft. in area, following the standard lot size in San Francisco (25 x 100 sq. ft.). This density and lot size requirement compares favorably with most jurisdictions in California where the standard density and lot size is about 5,000 sq. ft. per unit for single family dwellings and 1,500 sq. ft. per unit for multi-family development.

There are no governmental limits on the supply of housing in San Francisco. On the contrary, Proposition K, adopted on November 4, 1980, is a declaration of policy to encourage the development of 20,000 new housing units in the city by 1985.

### 2. Adequacy of Public Services and Facilities

Since the vacant residentially-zoned sites are either small or moderate in size and are scattered throughout the city, it is unlikely that any development on those sites will create a serious burden on the existing services and facilities. Similarly, existing facilities and services, related to water, sewage and fire safety in the currently industrially and commercially zoned sites considered to be suitable to housing are generally able to accommodate housing development with no great problems.

However, industrially and commercially zoned areas are generally deficient in open space and recreational facilities. Provision for open space and recreation facilities will have to be made in the rezoning plans for these areas.

As enrollment in the San Francisco School District has declined over the years resulting in a number of surplus school facilities, any increase in the school population generated by housing development in non-residentially zoned areas are likely to be absorbed by existing facilities throughout the city.

### 3. Permit Approval Process

A building permit application for new construction requires the review of at least three agencies: the Fire Department, Department of City Planning, and the Plans Approval Division of the Bureau of Building Inspection. Some applications may also require further review by the Health Department, the City Engineer, and the San Francisco Redevelopment Agency. According to the record of BBI on housing projects completed in 1979, the average time taken for a building permit application to be approved was seven months, depending on the size and the complexity of the project. For small projects with 1-4 units, the average time taken was six months. For medium to large projects, the time taken was about 17

months (the data apply to applications made between 1976-1978 and completed in 1979).

Since May 1979, the City has instituted a parallel plan checking program under which the permit applicant submits four sets of plans (instead of the two sets previously required) to facilitate simultaneous review of city agencies. Based on an evaluation of the program in August 1979 and May 1980, it was found that the average time taken to complete the permit approval process was about 100 days or less, as compared with the 210 days (7 months) it took before the program. Though the evaluation has not been updated since May 1980, the staff of the Bureau of Building Inspection estimates that the current processing time for a small project (1-4 units) is about 30 days and for large projects with no serious complications, the processing time takes approximately 75-90 days.

Permit processing is also being accelerated by other improvements. A BBI staff person has been assigned to perform quick screening of permit applications to determine if they are complete and what kind of review they require. A computerized tracking system has been developed which will enable status checks and management reports on the volume and backlog of permit applications under review.

#### 4. The San Francisco Building Code

San Francisco has adopted the Uniform Building Code 1979 edition, with San Francisco amendments, effective January 12, 1984.

TABLE 38  
EFFECT OF THE PARALLEL PLAN CHECKING PROGRAM  
ON TIME TAKEN FOR PERMIT APPROVAL PROCESS<sup>1</sup>

	No. of Buildings	Average Time for Permit Approval
Before Institution of Program in May 1979	363	210 days
After Institution of Program Evaluate in August 1979	10	50 days
Evaluation in May 1980	143	101 days

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Data Sources: <sup>1</sup> Administrative Records, BBI.

As a result of Proposition 13 San Francisco has revised its fee schedules so that the fees will cover the actual costs of administering the permitting processes. The fees currently charged by the Bureau of Building Inspection are as follows:

TABLE 39

	<u>Project Cost</u>	<u>Fee Schedule</u>
Permit Application	\$1 - \$50,000	\$12 - \$311
	more than \$50,000	\$322+ (\$1.85 per \$1,000 over \$50,000)
Plan Checking	\$1 - \$50,000	\$4.50 - \$122
	more than \$50,000	\$122+ (\$1.40 per \$1,000 over \$50,000)

The Department of City Planning also requires fees for building permits, as well as for special review and approval of conditional uses, variances, zoning reclassifications and environmental evaluations. Based on the current fee schedules, the minimum permit fee for a 25-unit project, which may cost from \$1.5 million to \$3 million in construction, would be \$6,000 to \$12,000 per project, or \$240 to \$480 per unit (basic fees charged by the Bureau of Building Inspection and the Department of City Planning). The costs are higher if a full EIR is required.

These fees are not seen as a significant constraint on housing development.

## VI. ENERGY CONSERVATION

Energy consumption within each household varies a great deal according to the type of housing, the size of the unit, quality of construction, individual habits, local climate, as well as the type of appliances present in the unit. Because of its mild climate, residential energy consumption in San Francisco is below the state average. Based on the occupancy rate in the city (299,000 units) the average energy cost per housing unit came to \$542 per year and \$45 per month if this energy cost per unit is compared with affordable housing cost in Table 32. Energy cost is shown to constitute 4% (for moderate income large households) to 18% (for low income small households) of the total housing cost.

While energy cost appears to share only a small part of the total housing cost, it may be disproportionately borne by residents with low income, because these residents tend to live in older buildings with poor insulation and old, inefficient appliances. A study conducted by the Department of City Planning found that certain low income neighborhoods such as the Hunters Point area had the highest energy consumption along with a high income neighborhood (the St. Francis Wood area). While high energy consumption in high income neighborhoods is due to the fact that



such neighborhoods have larger units, primarily single families, high energy consumption in low income neighborhoods is more likely attributable to poor building conditions.

The City has recently enacted an energy conservation ordinance for residential properties. It requires installation of inexpensive and easily implemented energy saving devices, such as ceiling insulation, caulking/weatherstripping, heating duct and pipe insulation, water heater insulation blanket and water flow devices, upon sale or comprehensive inspection of the property. These devices are estimated to reduce energy costs by 15 to 28%.

A research effort was initiated in 1982 to develop a public housing energy management program. Steps were taken to reduce energy operation costs by using a combination of utility and private sector financing. Approximately 2,300 units were weatherized using a utility zero interest loan. Solar water heating systems were installed on seven housing projects using private investment financing. Weatherization has reduced the San Francisco Housing Authority's first year energy operating costs by \$230,000, while another \$100,000 will be saved over a five year period through the use of solar water heating systems. Of equal importance, the efficiency of energy services to tenants has been enhanced.

The Energy Group of the Department of City Planning has recently received funds from the California Energy Commission to continue work in this area. State funds will be used to leverage private investment in upgrading the energy efficiency of public housing common area operations. Specific emphasis will include lighting conversion, boiler renovation and replacement, and energy management controls.

Also, the Bureau of Building Inspection, in conjunction with the Department of City Planning, is offering 20% rebates on the cost of installing specific measures made on an existing boiler/furnace system to increase overall energy efficiency. This rebate will be made available to any owner or lessee of an apartment house or residential hotel who has a boiler or furnace and wishes to comply with the Residential Energy Conservation Ordinance.

## VII. COASTAL ZONE HOUSING

Pursuant to the California Government Code Section 65588(d), the following information on housing in the coastal zone is incorporated into the Residence Element.

The number of new units approved for construction in the coastal zone after January 1, 1982 is six. Eighty-three new units for low and moderate income households are to be provided in new developments within three miles of the coastal zone. No low and moderate income units in the coastal zone have been authorized to be demolished or converted since January 1, 1982.



PART TWO  
OBJECTIVES AND POLICIES



Part Two  
OBJECTIVES AND POLICIES

SUPPLY OF NEW HOUSING

OBJECTIVE 1. TO PROVIDE NEW HOUSING FOR ALL INCOME GROUPS IN APPROPRIATE LOCATIONS.

New construction is required to help meet the need for sound housing. However, new residential development must be of a character and stability that preserves the city's neighborhoods and maintains the quality of life for existing and future residents. The issue centers on how to accommodate new residential development without jeopardizing the very assets that make living in San Francisco desirable.

To insure balance in development and change in San Francisco, the City should apply various growth management techniques to encourage residential development in areas where it can be accommodated and discourage it where it cannot. The City should use its zoning and related land use controls, environmental review processes, policies of the Comprehensive Plan and area plans, and the capital improvements program to deal with issues of how much and where residential development should occur.

Policy 1 Encourage Development of Housing on Surplus, Underused and Vacant Public Lands.

The opportunities for development of housing on public property should be aggressively pursued. The City owns a number of sites which are underused. In some cases the air rights of these sites may be made available for housing without interfering with their current public use. Housing over public parking, transit facilities or water storage facilities are examples of such joint use. When City property is no longer needed for the purpose for which it was acquired and if it is not needed for some other public purpose (such as open space and recreation land); it should be rezoned and sold or leased for housing development. The City may also be able to make some of its properties outside City and County limits available for housing. The City can also acquire surplus federal and state property to be disposed of by sale or lease, if funds are available.

In addition, there are a number of publically owned or controlled sites in redevelopment areas designated for housing. Development of those sites should be expedited.

Policy 2 Facilitate the Conversion of Underused Industrial and Commercial Areas to Residential use.

Opportunities exist for major new residential development in certain areas close to downtown. New housing can be provided there without significant displacement of existing residential units or commercial or industrial activity. In some areas entire new residential neighborhoods can be created. In others, housing can be introduced on vacant or underused sites adjacent to sites which are

and will remain in active commercial or industrial use. Map A (p. 1.29) identifies a number of such areas where partial or total conversion to residential use would be appropriate.

Policy 3 Promote the Inclusion of Housing in Downtown Commercial Developments.

Mixed residential/office building development near the heart of downtown would provide housing and add vitality to an area that lacks life at night and on weekends. Various incentives should be provided in appropriate cases to encourage housing in the downtown area.

Policy 4 Encourage Infill Housing on Appropriate Sites in Established Neighborhoods.

In established neighborhoods new housing construction should be encouraged:

- o On vacant sites which are not designated for open space.
- o On sites where nonconforming uses have been terminated.
- o Above commercial development in neighborhood shopping districts.
- o On sites with buildings that cannot feasibly be rehabilitated.

Policy 5 Allow Secondary Units in Areas Where Residents Support Such Housing.

Secondary units ("in-law" or "granny" units) are dwelling units created within existing residential structures, often in basements, using space that is surplus to the primary dwelling. Secondary units represent a simple and cost-effective method of expanding the housing supply. Such units could be developed to meet the needs of seniors and others who, because of modest incomes or lifestyle, prefer or need small units at relatively low rents.

On the other hand, secondary units can have adverse effects on existing neighborhoods. For example, they can aggravate parking congestion and, unless confined to the existing building envelope, can alter the physical appearance of older buildings and affect light, air and wind. Approval of secondary units should be limited to areas where there is neighborhood support, where off-street parking can be provided (it could be tandem parking) and where the secondary unit can be installed without altering the exterior appearance of the building, or, in the case of new construction, can be accommodated within the permitted building envelope. Secondary units should also be limited in size to control the number of occupants in such units. Existing illegal secondary units should be brought into compliance with the relevant standards of City codes.



Policy 6 Discourage Development of New Housing in Areas Unsuitable for Residential Occupancy, or on Sites Containing Existing Housing Worthy of Retention.

Certain sites, because of their location or existing use, are not appropriate for new residential development. The City should discourage, and, in some instances, prohibit the development of new housing:

- o On sites to be acquired for open space.
- o In areas of severe geological hazard (as indicated in the Community Safety Element) unless the hazard can be compensated for through building design and construction.
- o In areas of high transportation noise levels (as indicated in the Environmental Protection Element) unless the noise can be compensated for through building siting and design.
- o On sites where the development would require demolition of an architecturally significant building, especially a designated landmark.
- o On sites where the development would require demolition of existing sound or rehabilitable residential units, particularly units suitable for households with children or lower income level households.

## HOUSING DENSITY

OBJECTIVE 2. TO INCREASE SUBSTANTIALLY THE SUPPLY OF HOUSING WITHOUT OVERCROWDING OR ADVERSELY AFFECTING THE PREVAILING CHARACTER OF EXISTING NEIGHBORHOODS.

In order to maintain the city's livability, new housing developments should, as a general rule, reflect the predominant intensity level of the surrounding neighborhood. The lot pattern and building bulk should relate to surrounding properties, and the potential number of residents and amount of activity generated should not overly congest the surrounding area.

Policy 1 Set Allowable Densities in Established Residential Areas at Levels Which Will Maintain Neighborhood Scale and Character.

In establishing allowable residential densities, consideration should be given to the prevailing building type in the surrounding area, so that new development is not incompatible with existing scale and character. Established architectural characteristics should be respected. Prevailing densities should be exceeded only when it is clear that, because of the specific location and design of the project, the existing scale and character of the neighborhood will not be disrupted.

Policy 2 Encourage Higher Residential Density in Areas Adjacent to Downtown and in Neighborhood Commercial Districts Where Higher Density Will Not Have Harmful Effects

Moderate to high densities presently exist in established residential areas adjacent to downtown and should be maintained. As areas adjacent to downtown are rezoned for housing pursuant to Objective 1, Policy 2, densities should be established which are consistent with this policy.

Some neighborhood commercial districts, which already contain substantial amounts of housing, may be able to handle increased residential density without generating additional traffic and parking problems if (i) they have a reduced need for auto ownership because their proximity to transit, work, shopping, and other services can attract residents who do not use automobiles, or (ii) anticipated parking demand can be accommodated on-site in new development or in community parking facilities. In these cases increased density should be encouraged.

Policy 3 In Appropriate Cases, Consider the Size of the Unit in Establishing Allowable Densities.

Traditionally in San Francisco housing density standards have been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit.

This method of calculating density encourages larger units and is particularly appropriate for lower density neighborhoods consisting primarily of one- or two-family dwellings. In other areas, which consist mostly of taller apartments and which are well served by transit, the density might more appropriately be controlled by number of bedrooms rather than number of units. In this way the city's housing stock could better meet the diverse needs of its residents which increasingly are characterized by smaller households. A third method of controlling density would be to allow the building envelope, as dictated by height, bulk, set back, parking and other requirements, to set the density limits. These latter two techniques represent a departure from past practice and should be employed selectively until their benefits and disadvantages can be tested.

Policy 4 Adopt Specific Zoning Districts Which Conform to a Generalized Residential Land Use Plan.

Applying policies under this Objective 2 results in density patterns shown on the accompanying Generalized Residential Land Use Plan Map. Specific zoning districts should conform generally to this map, although minor variations consistent with the general density policies may be appropriate.

The Generalized Residential Land Use Plan provides for five density categories:

Potential Residential and Population Density  
By Zoning Districts

<u>Classifi-</u> <u>cation</u>	<u>Zoning</u> <u>Districts</u>	<u>Average</u> <u>Units</u> <u>Per Acre</u>	<u>Average</u> <u>Persons</u> <u>Per Acre*</u>	<u>General</u> <u>Location</u>
Low Density	RH-1	14	24-31	Appropriate in areas for single families, located predominantly in the southern and western parts of the city.

Potential Residential and Population Density (cont'd)  
By Zoning Districts

<u>Classifi- cation</u>	<u>Zoning Districts</u>	<u>Average Units Per Acre</u>	<u>Average Persons Per Acre*</u>	<u>General Location</u>
Moderately Low Density	RH-2 RH-3	36	64-94	Appropriate in the central hills areas, along Diamond Heights, Twin Peaks, and Potrero Hill, around Golden Gate Park in the Richmond, and northern part of the Sunset districts and in the Marina district.
Medium Density	RM-1, R-C-1, C-1, C-2 M-1, M-2	54	118	Appropriate for nonresidential commercial and industrial districts, and certain areas adjacent to the commercial zones.
Moderately High Density	RM-2, RM-3 RC-2, RC-3	91	160-240	Appropriate for the more intensively developed north-eastern part of the city, for major transit corridors such as Van Ness Avenue, Upper Market Street and Columbus Avenue, in major redevelopment areas such as the Western Addition and the Golden Gateway areas, and in Nob Hill, Chinatown, and North Beach.
High Density	RM-4, RC-4 C-3, C-M	283	475-760	Appropriate for certain areas in the northeastern part of the city, including downtown districts as well as heavy-commercial districts.

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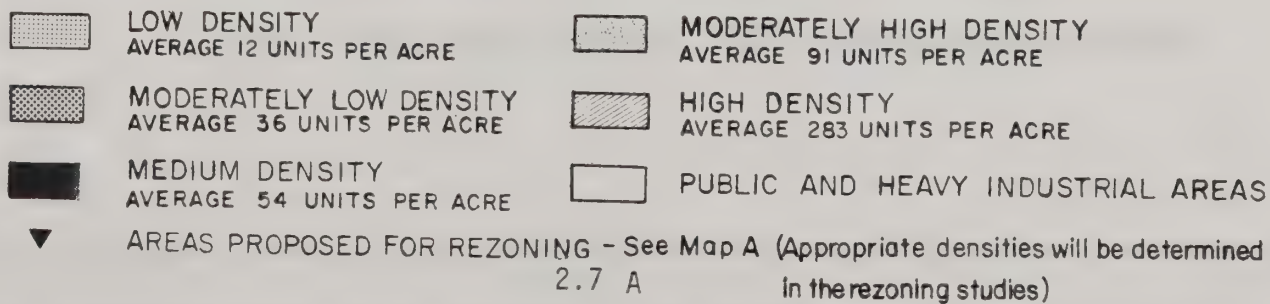
\* Based on city-wide average household size of 2.19. See map on following page for average household size by Census Tract.





MAP B

## RESIDENTIAL DENSITY



2.7 A



## MAP C

1980 CENSUS

MEAN NUMBER OF PERSONS PER UNIT

2.7 B



## RETENTION OF EXISTING HOUSING

### OBJECTIVE 3. TO RETAIN THE EXISTING SUPPLY OF HOUSING.

The existing housing stock is the city's major source of inexpensive housing. It is virtually irreplaceable given the cost of new construction and smaller public budgets. Priority should be given to retention of existing units as the primary means to provide affordable housing.

#### Policy 1 Discourage the Demolition of Existing Housing.

Demolition of existing housing generally results in the loss of lower-cost rental housing units. Even if the existing housing is replaced, the new units are generally more costly and are generally condominiums rather than rental units. Demolition often results in displacement of residents, causing personal hardship and relocation problems. The City should take appropriate steps to discourage demolition of existing housing that is sound or capable of rehabilitation, particularly where those units provide a low cost housing resource.

#### Policy 2 Restrict the Conversion of Housing in Commercial and Industrial Areas.

Many parts of San Francisco were developed before there were zoning regulations which strictly separated various types of land uses. As a result there were many thousands of housing units built in areas which also contain industrial and commercial uses and which have since been zoned industrial or commercial. Most of these housing units are sound or rehabilitable and are relatively inexpensive. They represent a significant portion of the city's housing supply and would be very difficult to replace. Yet, in many of the areas in which they are located, it would be profitable to convert them to a non-residential use.

In those commercial areas which are subject to economic pressures likely to lead to conversion of the existing housing units, a form of mixed residential/commercial zoning should be employed whereby conversions of upper floor housing units to non-residential use would be subject to conditional use review. Under such review, the desirability of retaining the housing should be weighed against the public benefits to be gained by the alternative use. As a general rule, conversion should be allowed only for needed neighborhood serving commercial activities that cannot reasonably locate elsewhere in the commercial district. Housing in industrial areas should also receive some form of protection.

Policy 3 Preserve the Existing Stock of Residential Hotels.

Residential hotels represent a unique and often irreplaceable resource for many thousands of lower income households. Most of these hotels are close to downtown and are subject to strong economic pressures leading to their conversion or demolition. As San Francisco grows as a tourist center many of these hotels have been converted to tourist use, either permanently or during the tourist season. Some hotels have been demolished to make way for new commercial development. The loss of these units as housing for permanent residents should be discouraged. Demolition or conversion of a residential unit should be permitted only if provision is made for replacing the unit to be lost with a comparable unit elsewhere. For those hotels which are operated as mixed tourist/permanent resident hotels, additional controls are needed which will assure that the availability of the hotel for permanent residential occupancy is not diminished.



## HOUSING CONDITION

### OBJECTIVE 4. TO MAINTAIN AND IMPROVE THE PHYSICAL CONDITION OF HOUSING.

As the city's housing stock ages it becomes increasingly important to maintain it in sound physical condition. Slum clearance projects of the past were in part necessitated by failure to keep up the quality of housing. Much private reinvestment in and renovation of the city's older housing, particularly of Victorians, in recent years has replaced the need for some of the kinds of direct public intervention that were required in the past. Even so there is a continuing need for housing rehabilitation. In addition, care must continue to be taken to detect incipient decline in housing quality and to take steps to arrest it once detected. The City should monitor those areas of the city where a decline in housing quality might be expected to occur and take appropriate remedial steps where necessary.

#### Policy 1 Assure that Existing Housing is Maintained in Decent, Safe and Sanitary Condition.

The City should ensure that residential units continue to meet the standards of the housing code by maintaining an aggressive program of systematic inspection of apartments and hotels. Code compliance activities should be designed to minimize the financial hardship which required rehabilitation may impose on those unable to pay increased rent. Low interest and deferred payment loan programs should be targeted to benefit low and moderate income tenants. Rent regulations should provide sufficient incentive to the landlord to maintain the building in good condition.

#### Policy 2 Maintain and Improve the Existing Supply of Public Housing.

The San Francisco Housing Authority is the largest landlord in San Francisco and is one of the few sources of permanently affordable housing for low income households. Operating subsidies and modernization funds provided by the Federal government have not been adequate to keep this housing in sound condition. Increased Federal support, innovative local financing techniques, cost reduction measures (such as weatherization to reduce fuel costs), and creative management are all required to maintain and improve this valuable supply of affordable housing.

#### Policy 3 Promote and Support Voluntary Housing Rehabilitation.

The City Planning Code should maintain its strong preservation orientation and act as an incentive to rehabilitation of existing housing, as well as a guide to new development. The City should establish other means, such as provision and maintenance of public improvements, to act as incentives for housing maintenance and rehabilitation. Neighborhood conditions should be monitored and in areas where housing is being under-maintained, appropriate measures, such as counseling and provision of loan funds, should be taken quickly to arrest deterioration.

Policy 4 Preserve Residential Buildings of Significant Architectural Merit.

Architecturally significant buildings are one of the greatest assets of San Francisco's residential neighborhoods. Most of these buildings provide excellent housing opportunities and many have large units particularly suitable for families with children. Preservation of these buildings is important to the character and quality of the city's neighborhoods, and special programs should be established to promote restoration. The designation of landmarks and historic districts, with the tax benefits that become available through designation, can be an effective method of encouraging preservation.

## AFFORDABILITY OF HOUSING

### OBJECTIVE 5. TO PROVIDE HOUSING AFFORDABLE BY ALL INCOME GROUPS, PARTICULARLY LOW AND MODERATE INCOME HOUSEHOLDS.

The costs of home purchase in San Francisco are among the highest in the nation. At current prices many people, even those considered middle income or higher, cannot afford to purchase housing. San Francisco's high rents create hardships, particularly for those with fixed incomes. Many households must either pay larger percentages of their incomes for housing, live in units in substandard condition, and/or live in overcrowded conditions. Others may be forced to move out of the city.

San Francisco, as the region's central city, has a special responsibility to house lower income households. For the City to meet the housing needs of its diverse population, measures must be taken to make housing affordable. Significant cost reductions can be achieved through concurrent use of tax exempt financing, higher densities, unit size reduction and fast-track permit processing. Consistent with other policies regarding densities and design standards, the City should experiment with these cost reduction techniques.

#### Policy 1 Use the City's Financial Powers and Resources to Reduce the Cost and Increase the Supply of Low and Moderate Income Housing.

The City has borrowing powers and access to other financial resources which can be used to reduce the cost and increase the supply of below market rate housing. Tax-exempt bonds and possibly pension funds are two sources of financing for below market interest rate financing. In some situations tax increment financing can enable new development to support low and moderate income housing. These techniques should be used in appropriate cases.

In cases where the City directly assists an owner of rental housing, the City should ensure that the owner charges fair rents. The acceptance of reasonable rent guidelines should, in most instances, be an enforceable condition in exchange for the receipt of such public assistance. Rent guidelines or stabilization measures should be applied when a private residential property owner receives the following types of assistance:

- a) Direct financial assistance, such as a hardship grant;
- b) Special below-market rates for financing, such as a low-interest or non-interest bearing loan;
- c) Special treatment or application of a City code, such as deferred code compliance.

All rent guidelines should take into account inflation, maintenance and operating costs, and a reasonable rate of return for the property owner.



Policy 2 Make Maximum Use of Available Federal and State Housing Subsidy Programs

The City has traditionally been a major user of federal and state housing subsidy programs. Cost limitations on some of the past programs have made them difficult to use in a high-cost central city setting. In the past the City has provided funds to close the gap between what the subsidy program provides and what it costs to construct or rehabilitate the housing.

The whole approach to support of low and moderate income housing production is being reexamined by the federal government. A complete restructuring of programs and an overall reduction of federal commitment is likely. The City should aggressively work to increase the federal commitment to housing and to assure that new programs "work" in San Francisco.

Policy 3 Seek Inclusion of Low and Moderate Income Units in New Housing Development.

Inclusion of low and moderate income units in new housing developments of appropriate size would be desirable. A portion of the units in a housing development should be required to be set aside for low and moderate income units, if public subsidies are available. If subsidies are not available and the situation allows additional density to be granted (such as by permitting greater height within established height limits, or approving a reclassification or a planned unit development to achieve greater density), it may be appropriate to require that a portion of the additional units be low and/or moderate income. The number of such units should vary according to the number of additional units allowed and the specific characteristics of the project.

Policy 4 Safeguard Tenants from Excessive Rent Increases While Assuring Landlords Fair and Adequate Rents.

In recent years various pressures on the limited housing supply have resulted in substantial increases in rent levels causing displacement and economic hardship to those unable to pay those rent increases. As long as these pressures continue, a regulatory process should be maintained which stabilizes rent levels and protects tenants from excessive rent increases and arbitrary eviction while at the same time allowing the landlord a fair rent and sufficient incentive to maintain housing quality.

Policy 5 Encourage Energy Efficiency in New Residential Development and Weatherization in Existing Housing to Reduce Overall Housing Costs.

Energy efficiency may involve some features which add to the initial cost of a structure, but are highly cost-effective in terms of the life cycle or operating costs of the residential unit. Often, such features as orientation or window placement to optimize passive



solar heating, and use of natural daylight, can be "designed in", at little or no additional cost. Weatherization of existing housing can usually pay for itself in a short time, resulting in lower utility bills and lower overall housing costs. These approaches should be pursued.

Policy 6 Allow Construction of a Variety of Innovative Housing Types that Reduce Cost.

Mobilehomes and pre-fabricated housing can be a valuable source of shelter for low and moderate income households. While manufacturing techniques have vastly improved the quality of such structures, there are areas where these housing types might have adverse effects on the surrounding neighborhood. Mobile homes and pre-fabricated housing should be allowed, but only where it complements the character of the surrounding neighborhood.

Policy 7 Encourage Non-Profit and Limited Equity Ownership of Housing.

Housing owned by non-profit corporations whose specific purpose is to provide decent shelter to low and moderate income households can be an effective means of providing affordable housing. Similarly, conversion of buildings by their tenants to limited equity cooperatives and condominiums can stabilize and, as general housing prices increase over time, can lower housing costs. The City should encourage these forms of ownership.

Policy 8 Ensure that Office Developments and Higher Educational Institutions Assist in Meeting the Housing Demand They Generate.

New or expanding commercial activities in the city increase the city's employment base. These new jobs are important to the residents of the city and of the Bay Area, and contribute to the continued economic vitality of the region. The workers filling these jobs need housing. Similarly, educational institutions provide needed services and contribute to the intellectual and cultural life of the city. At the same time, their faculties and students must be housed. Both office developments and educational institutions should assist in meeting the City's housing needs by contributing in some manner to the provision of additional housing.

Policy 9 Streamline the Permit and Environmental Review Processes to Expedite Housing Construction.

Delay in the project approval and evaluation process can add to housing costs. The City should make every effort to insure that projects are reviewed and evaluated in the shortest possible time, consistent with the City's interests as defined by the policies of the Master Plan. Priority processing should be given to projects that include housing affordable to low and moderate income households, or housing which is accessible to the disabled.

Policy 10 Ensure that the City's Codes and Development Requirements do not Unnecessarily Increase the Cost of Housing.

The City Planning, Building and Housing codes influence the price of new housing and the cost of maintaining existing housing. The City's codes should be reviewed regularly to ensure that standards and requirements do not unduly restrict needed housing development or unnecessarily increase the cost of housing. In administering codes, departments should regularly evaluate whether standards can be modified, without sacrificing quality and safety, to aid in lowering the cost of new housing. In hardship cases Housing Code requirements should be deferred to the extent legally permissible if all life safety hazards are abated. In particular, the City should extend the period allowed for code compliance to avoid potential displacement of low- or moderate-income households until replacement housing can be found.

## NEIGHBORHOOD ENVIRONMENT

### OBJECTIVE 6. TO PROVIDE A QUALITY LIVING ENVIRONMENT.

Housing quality involves not only the physical condition of housing structure itself but also the condition of the surrounding neighborhood and the adequacy of its amenities, facilities, and services. Proper housing development must also address these matters.

#### Policy 1 Assure Housing is Provided with Adequate Public Improvements, Services and Amenities.

Many factors add to neighborhood livability, including the quality of schools, the effectiveness of police and fire services, and access to open space and recreational opportunities. Regular maintenance of streets and sidewalks, provision of street trees, and protection of residential areas from excessive traffic, are also important to neighborhood life. Good design of buildings can add amenity to the neighborhood. All of these factors should be addressed by the City in providing its residents a quality living environment.

#### Policy 2 Allow Appropriate Neighborhood-Serving Commercial Activities in Residential Areas.

Certain non-residential uses are desirable and appropriate in residential areas. For example, small pedestrian-oriented grocery stores, other convenience shops, and community services (such as child care) can meet frequent and recurring needs of residents without disrupting the residential character of the area. On the other hand, other types of non-residential uses are noisy, or unattractive, or generate excessive traffic, and therefore would be undesirable in residential areas.

Non-residential uses should be allowed in exclusively residential areas only if they meet the following criteria:

- o The use is primarily pedestrian-oriented.
- o The use serves the needs of the immediate residential neighborhood and does not draw significant trade from outside the neighborhood.
- o The use does not displace a unit suitable for residential occupancy.
- o The use does not disrupt or detract from the livability of the surrounding neighborhood.
- o There are no suitable locations in immediately adjacent commercial or mixed commercial and residential areas.

- o The design of the building is in keeping with the established residential character of the area, and all signs are carefully regulated.
- o Truck traffic servicing the use is minimized, and truck delivery hours are restricted.

Non-residential uses may also be advantageous for residential areas if they are essential to the preservation of a landmark building, although the use should be compatible with the surrounding environment.

Policy 3 Minimize Disruption Caused by Expansion of Institutions into Residential Areas.

The expansion needs of institutions often conflict with efforts to preserve and protect the scale and character of residential neighborhoods. Large educational, religious, and medical institutions attract people from outside a neighborhood, aggravating traffic and parking problems. Institutional buildings also tend to be larger in scale and more intensely used than surrounding residential buildings. In addition, institutional expansion often requires removal of housing and displacement of residents.

To minimize the disruption caused by institutional expansion, the City should carefully review expansion plans. The needs of adjacent residential areas for housing, on-street parking and safe, quiet streets should be considered, in addition to the needs of the institution. Educational and medical institutions should be required to develop and submit master plans to the City, before the City reviews any specific expansion requests. Such a master plan should define long-term and short-range development plans of the institution. Early review of institutional development plans will permit exploration of alternate ways to address the needs of the institution in order to minimize potential conflicts with the residential area.

Policy 4 Promote Development of Well Designed Housing.

Residents of San Francisco should be able to live in well designed housing suited to their specific needs. To ensure that housing provides quality living environments and complements the design character of the surrounding neighborhood, the following guidelines should be applied in evaluating new residential developments:

Exterior Appearance

- o Relate the design of new housing to the general design character of surrounding buildings.
- o Relate the shape of new buildings to the form of adjacent structures.



- o Encourage articulation of the building facade through use of set-backs, bay windows, cornice details, entry details and other variations in horizontal or vertical planes.
- o Relate set-backs to the set-backs of adjacent buildings.
- o Avoid disruptive intrusion into a well-defined interior block open space.
- o Enclose parking and minimize the necessary number of garage doors and curb cuts.
- o Landscape all set-backs and relate the type of landscaping to that of adjacent properties.
- o Provide street trees if none exist.

#### Recreation/Open Space

- o Provide adequate on-site usable open space where feasible.
- o Relate the type, amount and location of open space to the types of households to occupy the building.
- o Provide convenient access from interior living areas to the open space.
- o Design open space with consideration for the local climate.
- o Relate open space to the open space on abutting properties.

#### Environmental Factors (sunlight, topography, noise, climate)

- o Expose all units to natural light, and avoid severely reducing the light falling on adjacent buildings and open spaces.
- o Insulate units from the intrusion of exterior and interior noise.
- o Relate building construction to the topography, geology and climate of the area.
- o Apply energy conservation measures in the design of the building.

#### Security

- o Incorporate concepts of security in the design of the building, especially in the number of units per entrance, sense of personal space and ability of the residents to effect self-policing of the grounds and immediate surroundings.

### Maintenance

- o Use building materials which minimize maintenance needs and which maximize the potential life of the building.

Policy 5 Modify Proposed Developments which have Substantial Adverse Environmental Impacts or Otherwise Conflict with the Master Plan.

Proposed new developments are given environmental evaluation which involves consideration of conformity of the development with the City's objectives and policies, including those expressed in the Master Plan. Projects with substantial adverse environmental impacts should be considered in conflict with the Master Plan, in the absence of substantial and overriding social or economic factors. Land use controls and the environmental review and discretionary review processes should be closely coordinated to obtain modification in development plans to eliminate or mitigate substantial adverse environmental impacts or Master Plan conflicts.

## ACCESSIBILITY

### OBJECTIVE 7. TO PROVIDE MAXIMUM HOUSING CHOICE.

Population diversity is one of San Francisco's important assets. To retain this diversity, a variety of housing opportunities should be available. Households should be able to choose the form of tenure most suitable to their needs, from either a rental or an ownership housing stock. A variety of unit sizes is also important, so that both larger and smaller households can be accommodated in adequate numbers. Units of varied costs are necessary to provide opportunities for households of different income levels. Finally, there should be units with special features suitable for households with special needs.

Social and economic factors can discriminate against certain population groups and limit their housing opportunities. Racial minorities face constraints as to where they can live, leading to patterns of economic and racial segregation. Families with children are constrained by the types and sizes of units available to them; suitable units tend to be limited by erosion of the older housing stock and discriminatory rental practices. Standard housing units with special features for elderly and handicapped persons are in short supply. If San Francisco is to retain its economic, racial and cultural diversity, opportunities should be expanded for population groups for whom affordability and accessibility are crucial.

#### Policy 1 Prevent Housing Discrimination Based on Age, Race, Religion, Sex, Sexual Preference, Marital Status, Ancestry, National Origin, Color or Disability.

To insure housing opportunities for all people, the City should assist in the implementation of fair housing and anti-discrimination laws. The City should make use of opportunities in its interaction with community groups, businesses, and other agencies to eliminate housing discrimination. In addition, owners of City-assisted new and converted residential buildings should be required to adopt affirmative sales or rental policies.

#### Policy 2 Promote Adaptability and Maximum Accessibility of Residential Dwellings for Disabled Occupants.

Disabled San Franciscans are less able to compete for scarce housing units, in part because so many are not physically accessible to them and in part because the disabled often have lower than average incomes. The City should take an active role to expand the availability of units suited to households with special needs. Housing could be made accessible or adaptable to the disabled. ("Assessible" means that the housing presents no physical barriers to handicapped people. "Adaptable" means housing whose entry and circulation are designed and constructed so that the unit can be made fully accessible by making relatively minor adjustments and additions

rather than structural changes.) All housing newly constructed or substantially rehabilitated with city assistance should be made adaptable to the disabled and a portion of such housing (the goal should be at least 10%) should be made fully accessible.

Policy 3 Promote the Availability of Units Suitable for Groups with Special Housing Needs Including Large Families, the Elderly, and Those Needing Group Housing and Emergency Shelter.

In addition to the disabled, other households with special needs have difficulty finding suitable housing in San Francisco. Many large families, newly immigrated to the United States, are crowded into units designed for much smaller households. Many of the City's elderly citizens occupy housing which is not designed to meet their special needs. Shelters are not available in sufficient numbers to meet the needs of the city's homeless population. The psychiatrically disabled also have special housing needs. The City should take an active role to encourage the expansion of the availability of housing units suited to needs of these groups.

Policy 4 Eliminate Discrimination Against Households with Children.

Households with children often have difficulty in finding suitable housing because many landlords do not want children as tenants. The City should prohibit discrimination against children and encourage the construction of units suitable for families with children.

Policy 5 Encourage Economic Integration in Housing.

Patterns of economic segregation are evident in San Francisco. Although housing opportunities for low- and moderate-income households are available in many areas of the city, they tend to be concentrated in a few areas. Special efforts should be made to expand housing opportunities for households of lower-income levels in other areas.

Private reinvestment in many areas of the city is resulting in displacement of low- and moderate-income households by higher income groups. Special efforts should be made to retain some low- and moderate-households in these areas.

Policy 6 Provide Adequate Rental Housing Opportunities.

Since approximately two-thirds of San Francisco's residents are renters, the availability of sound rental housing is of major importance, especially for the young and elderly population, who tend to rent, rather than own, their residence. Low vacancy rates and high rents are indicators of a continuing demand for rental housing. At the same time market conditions, many of which are beyond the control of the City, are such that fewer rental projects have been built in recent years. The lack of development of rental housing is tied to many factors (capital costs, alternative investment opportunities, etc.), many of which are beyond the control of the City.



Nonetheless, the public sector should make a concerted effort to do what is within its control to encourage the development of rental housing and to ensure that there is an adequate supply. The loss of existing rental housing should be discouraged, particularly in areas of the City where few rental opportunities exist.

Policy 7 Expand Opportunities for Home Ownership.

The City should work to expand opportunities for owner-occupancy of housing and develop special programs to facilitate home ownership for households of varied income levels.

It is important that households be ready and able to assume the financial and management responsibilities of home ownership. To protect housing purchasers, the City should explore establishing such safeguards as presale inspections for all property transfers and should encourage home ownership counseling services.

Policy 8 Regulate the Conversion of Existing Rental Apartment Buildings into Condominiums or Cooperatives.

Conversion of existing rental apartment buildings to condominiums or stock cooperatives brings into conflict two desirable goals -- expansion of homeownership opportunities and preservation of the existing rental housing stock. Conversions expand the amount of housing available for purchase but they do so by reducing the number of units available for rent and in the process displace existing tenants who cannot or do not wish to buy. In order to resolve this conflict, it is recommended that conversions be regulated by ordinance in such a way as to:

- o Preserve a reasonable balance between ownership and rental housing in San Francisco by providing for an annual limitation on the number of units which may be converted in any one year;
- o Promote the meaningful expansion of homeownership opportunities for existing tenants and prevent the displacement of existing tenants by requiring a high degree of tenant intent to purchase their rental unit as a condition of approval;
- o Reduce the impact of such conversions on non-purchasing tenants who may be required to relocate by providing procedures for relocation, and providing for the reimbursement of costs resulting from such relocation;
- o Prevent the displacement of elderly and disabled tenants by assuring them of extended leases to remain in their units subsequent to conversion;
- o Assure that purchasers of converted housing have been properly informed as to the physical condition of the structure offered for purchase;

- o Prevent the effective loss of the City's low and moderate income housing stock by requiring sales price limitations on those units proposed for conversion which are found to be part of the low or moderate income housing stock;
- o Expand the supply of the City's low or moderate income housing stock by providing a minimum of ten percent low or moderate income housing units in any condominium subdivision or by construction of an equivalent number of such units elsewhere, or by in-lieu payments into a City Housing Development Fund.

During periods when the demand for rental housing is high yet new market rate construction is confined almost exclusively to ownership housing (and thus rental units lost through conversion are not being replaced) continued condominium conversion will result in a shift in the balance between ownership and rental housing. During such periods, new construction should provide the majority of homeownership opportunities in multi-unit buildings. Conversions of existing rental units should be limited to the following situations:

- o Conversion of existing residential buildings containing less than 30 units may be allowed when the occupants seek conversion to improve their housing opportunity.
- o Conversion of long-vacant residential buildings should be allowed when it provides a guaranteed resource of affordable homeownership housing, inasmuch as new construction, without public subsidies, cannot provide such a resource.

#### Policy 9 Ensure a Distribution of Quality Board and Care Facilities.

Because of the availability of certain types of residential buildings and services in certain parts of the city, board and care facilities have tended to become concentrated in those areas. Applications for new facilities may continue to reinforce these concentrations unless they are carefully reviewed. It is desirable that board and care homes be distributed throughout the city so that people are offered a choice of locations and over-concentration of facilities in particular neighborhoods is avoided. Unless special circumstances warrant, the City should discourage new board and care homes in areas with existing concentrations of such facilities. In reviewing applications for board and care homes, the following factors should be among those evaluated:

- o Number of board and care homes already operating in the area.
- o Accessibility to recreational facilities and open space.
- o Proximity to commercial areas and shopping.
- o Proximity to community services.

Policy 10 Promote the Availability of Units Suitable for Persons with Varied Lifestyles.

The City should support development of housing which can accommodate varied lifestyles. Changing social patterns and economic forces have changed the living patterns of many families and individuals. For instance, artisans have established living and working units in industrial areas where more space is available at lower cost. Congregate housing with central eating facilities is an alternate form of housing being used by many elderly households. These various types of living arrangements should be encouraged because they satisfy the needs and preferences of certain households, and frequently result in more efficient use of scarce land, space and energy than conventional living situations.

## DISPLACEMENT

### OBJECTIVE 8. TO AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT.

Because of the economic and social hardships involved when a household is forced to move, and the difficulty of funding replacement housing at comparable rents, every reasonable effort should be made to minimize the need to displace residents, particularly those with lower incomes or families with children, from their homes.

#### Policy 1 Minimize Relocation Hardship and Displacement Caused by the Demolition or Conversion of Housing.

Private demolition of housing can cause particular hardships because of the absence of relocation assistance programs for displaced households. Property owners should provide assistance in finding suitable relocation housing if any lower-income households are to be displaced. Property owners should inform tenants at the earliest possible date of any proposed demolition plans and should arrange for counseling assistance for the displaced households. Owners should not be permitted to demolish existing housing units until efforts have been made to assist tenants in obtaining relocation housing.

#### Policy 2 Permit Displaced Households the Right of First Refusal to Occupy Any Replacement Housing Units.

To minimize displacement and help protect the population already residing in an area, persons temporarily or permanently by publicly sponsored or assisted rehabilitation or new construction should be given the right of first refusal to occupy their former unit or a unit in the new structure. In cases of existing units converted to condominium or cooperative ownership, existing tenants should be given the right of first refusal to purchase the converted units.

#### Policy 3 Provide Relocation Services Where Publicly Funded Actions Cause Displacement.

When displacement does occur as a result of public actions, uniform relocation services (counseling, locating replacement housing, and moving expenses) should be provided regardless of whether the displacement is caused by federal, state or locally funded activities.



## REGIONAL COORDINATION

### OBJECTIVE 9. TO ADDRESS HOUSING NEEDS THROUGH A COORDINATED REGIONAL APPROACH.

Housing is a regional concern. Problems such as the inability of large numbers of people to afford decent housing, inequities and discrimination in the housing market, and the inadequacy of public resources cross the boundaries of local jurisdictions and cannot be addressed solely on a local level. Region-wide strategies are needed. Investment decisions made by the private sector are rarely confined to the limits of single governmental jurisdictions -- broader housing market areas are considered. A strategy dealing with housing problems in the Bay Area must therefore involve a regional approach. Furthermore, effective solutions to housing problems in the Bay Area can be developed only if all agencies and organizations dealing with housing in the Bay Area coordinate their activities.

#### Policy 1 Encourage the Balancing of Regional Employment Growth with the Development and Growth of Housing in the Region.

San Francisco is part of the larger regional economy of the Bay Area and economic decisions made by one community often affect other communities in the region. Thus decisions made by some cities to limit commercial or residential growth impact other cities in the region. Efforts should be made to balance employment and housing growth within the region and to distribute employment and housing throughout the region.

#### Policy 2 Encourage Rehabilitation and Development of Housing in the Bay Area Which Will Meet Regional Housing Needs and Contribute to the Quality of Life in the Region.

New residential development and rehabilitation of existing housing should be planned to conserve open space and to take advantage of the availability of employment opportunities, public transit systems, and community services. San Francisco should take an active role in promoting quality new housing development in the Bay Area which will not generate adverse impacts on the environment. In addition, San Francisco should promote and support housing rehabilitation throughout the region.

#### Policy 3 Encourage the Distribution of Low- and Moderate-Income Housing Throughout the Bay Area.

Local communities throughout the Bay Area should accept responsibility for housing families of all income levels. At the present time, most of the region's subsidized housing for low- and moderate-income households is concentrated in the central cities, including San Francisco. Housing opportunities for low- and moderate-income households should be available throughout the region, and all localities in the Bay Area should provide their fair share of such housing. Responsibility should be shared by the public and the private sector.



PART THREE  
IMPLEMENTATION PROGRAMS  
AND ACTIVITIES





## PART THREE

Part Three describes existing programs, ordinances and the various studies, programs and activities to be undertaken over the next five years to address the housing needs identified in Section One and to implement each of the Objectives and Policies contained in Section Two. Where appropriate, a report on progress since adoption of the April 1983 Element is included.

State law requires that objectives for the maintenance, improvement and development of housing be quantified. Therefore, Objective 1 - "Supply of New Housing"; Objective 3 - "Retention of Existing Housing"; Objective 4 - "Housing Condition"; and Objective 5 - "Affordability of Housing" contain estimates of the maximum number of housing units that can be constructed, conserved and rehabilitated over a five year time frame.

### I. Supply of New Housing

#### OBJECTIVE 1 TO PROVIDE NEW HOUSING FOR ALL INCOME GROUPS IN APPROPRIATE LOCATIONS.

Maximum number of housing units that can be constructed over a five-year time frame.

San Francisco's appropriate share of the regional demand for housing as determined by ABAG is 14,833 units for the period 1980-1990. To meet this need, approximately 2000 units must be added to the housing stock each year. As discussed on page 1.12, approximately 2991 net new units have been added to the city's housing supply since the start of 1980. The need remaining, 11,842 units, requires a new construction level of approximately 2000 units per year. This was the rate of new housing production achieved in the mid 70s. This was a period when interest rates were lower, the Federal Government provided substantial financial support for low and moderate income housing and it was relatively simple in established neighborhoods to replace a building having few units with a larger building containing more units. These conditions no longer exist.

Whether or not this rate of production can be achieved again depends in part on factors within the City's control and in part on factors beyond the City's control. The City can assure that there are adequate sites for housing in publically acceptable locations, provide incentives for the production of housing, assist (to a limited extent) in the financing of housing, and establish a favorable regulatory climate for housing. This Residence Element is designed to do those things.

However, the production of housing is largely a private market function and whether there is a private market response to these actions by the City depends on whether housing can be produced and sold or rented at a profit. Setting a realistic target for new housing construction is particularly difficult at this time given the high interest rates which drive up housing costs and the lack of subsidies for new low- and moderate-income housing. These are issues over which the City has little or no control.

The recently released draft EIR of the Downtown Plan predicts that, largely as a result of private market responses to housing demand, the city should realize a net gain in housing of between 600 to 1500 units per year, averaging out to 1000 units per year.

This Element optimistically sets as a target an increase in the rate of production to 2,000 units a year (units are to be counted when construction begins). This figure will provide a benchmark against which future performance can be measured. This target will be very difficult to attain, for the reasons noted, but it will serve as a stimulus to greater effort by both the public and private sector. The desired breakdown of these units by income category appears on p. 3.12.

Policy 1 ENCOURAGE DEVELOPMENT OF HOUSING ON SURPLUS, UNDERUTILIZED OR VACANT PUBLIC LANDS.

(a) Rezoning of surplus school sites for residential use.

The Department of City Planning in cooperation with the School District, the Real Estate Department, and the Mayor's Office of Housing and Economic Development (MOHED), has rezoned surplus school sites with a potential capacity of 217 units for residential use. One of these sites, Farragut School, has been rezoned specifically for low to moderate income households. The site has a potential for 42 subsidized units. This project will start construction in July of 1984, and is expected to be ready for occupation in July of 1985. The Mayor and Board of Supervisors have expressed a policy of using the Poly High School site for affordable housing. Planning for the site is continuing. Additional sites listed in Table 28, Part I are being studied and will be acted upon as appropriate.

(b) Wisconsin Street

Housing on what was formerly a City-owned site on Wisconsin Street is under construction and is expected to be completed in the spring of 1985. The project will contain 120 units, and is financed by the Mortgage Revenue Bond Program and the Mortgage Assistance Trust made possible by the OHPP.(see page 3.12).

(c) Casa de la Raza

This 51 unit Section 8 family housing project in the Mission District of the City proposes to sell the air rights over a parking garage to a non-profit sponsor for \$1.00. A deck will be constructed over the parking structure to support the housing. Construction will begin in mid 1984 with completion scheduled for mid 1985.

(d) Dunleavy Plaza Apartments

This 49 unit low-income rental development for elderly and families in the Mission District to be built over a parking garage, with the air rights sold by the City for \$1.00. The project is financed by a combination of Rental Housing Construction funds and CDBG. The sponsor is a non-profit housing development corporation. Construction will begin in mid 1984, with completion scheduled for mid 1985.

(e) Housing on Vacant Sites in Redevelopment Projects

The San Francisco Redevelopment Agency, which presently has several projects involving the construction of market rate and low/moderate income housing, represents a major source for new housing. Since the land is controlled by the Agency, the Agency has the power to establish a policy as to how the land will be marketed or the development approved as a market rate project or a subsidized project.

Whether the low/moderate targets can be met depends on developing financing packages and methods of reducing costs to substitute for the federal programs that have been cut back or eliminated. These projects include Yerba Buena Center, Western Addition (A-1 and A-2), Bayview/Hunters Point, and Rincon Point-South Beach. The Agency goal is to develop 5,696 units by 1990, of which approximately 23% (1,315 units) would be for low- and moderate- income households.

(f) Other Public Properties

The Department of City Planning, the Public Utilities Commission, and the Port of San Francisco are studying the feasibility of developing other public properties for housing (in some cases as a joint use with continued public use of part of the site). These sites include properties owned by the Municipal Railway, the Public Utilities Commission, and the Port. They are identified in Part I, Table 28, p. 1.27. It is anticipated studies of these sites will be completed and rezoning of those found feasible of housing development will be initiated by the end of 1984.

Policy 2 FACILITATE THE CONVERSION OF UNDERUTILIZED INDUSTRIAL AND COMMERCIAL AREAS TO RESIDENTIAL USE.

(a) Rincon Hill Rezoning

The Department of City Planning, in conjunction with a Housing Task Force from the University of California, Berkeley, has developed a plan for the conversion of Rincon Hill from an underutilized industrial area to a potential site for offices, shops, and several thousand housing units. The plan and accompanying EIR are scheduled for release in the summer of 1984, and the rezoning to implement the plan is scheduled to be completed by the end of 1984.



(b) Other Rezonings

The Department of City Planning is studying the rezoning of other underutilized commercial areas for mixed use or predominantly residential areas. These sites are shown on Map A. These areas potentially could accommodate thousands of units of housing without significant displacement of residents or existing uses. The specific areas are:

i) Van Ness Avenue

A plan for this area has been released for public review. An environmental impact report is being prepared. Rezoning should be in place in early 1985.

ii) South of Market -- West of YBC

A study of this area is now underway. A plan is expected to be completed and rezoning initiated by July 1985.

iii) North of Market

A plan for the North of Market (Tenderloin) was released in March of 1984. Rezoning to implement the plan should be in place by the end of 1984.

Policy 3 PROMOTE MIXED USE PROJECTS IN CERTAIN DOWNTOWN COMMERCIAL DISTRICTS.

The Downtown Plan proposes to allow in the C-3-G and C-3-S districts additional square footage for housing above the base FAR allowed for commercial uses. The additional square footage depends on the allowable height and bulk controls for the site. These controls should be in place by the end of 1984.

Policy 4 ENCOURAGE INFILL HOUSING ON APPROPRIATE SITES IN ESTABLISHED NEIGHBORHOODS.

In November of 1979 the Department of City Planning published a Housing Opportunities Report, which identified sites that were vacant and appropriate for development in residentially zoned areas, consistent with the scale of the neighborhood in which they are located. If all of those sites were fully developed, which is not anticipated, they would accommodate approximately 4000 units. This figure has been adjusted to 3,600 after discounting for new construction from 1979 to 1983 which occurred on Housing Opportunity Sites. Less than 10% of the yearly new housing construction is taking place on Housing Opportunity Sites. Those sites will continue to be developed in response to developer initiatives.



Policy 5 SELECTIVELY ALLOW EXISTING AND NEW SECONDARY UNITS.

The City Planning Code allows secondary units in an RH-1(S) district (San Francisco Municipal Code Chapter II, Section 206.1.). Three relatively small areas have been zoned RH-1(S). The Department of City Planning will encourage other neighborhoods or parts of neighborhoods to consider RH-1(S) designation. At this time a moratorium is in effect, prohibiting the legalization or addition of secondary units. In 1984-1985 the Department will be studying the areas in which it would be appropriate to allow legalization of present and future secondary units. Given the limited public acceptability of allowing additional secondary units, it is premature to establish targets for the number of units, if any, to be added to the housing supply by these means.

II. Housing Density

OBJECTIVE 2 TO INCREASE SUBSTANTIALLY THE SUPPLY OF HOUSING WITHOUT OVERCROWDING OR ADVERSELY AFFECTING THE PREVAILING CHARACTER OF EXISTING NEIGHBORHOODS.

Policy 1 SET ALLOWABLE DENSITIES IN ESTABLISHED RESIDENTIAL AREAS AT LEVELS WHICH WILL MAINTAIN NEIGHBORHOOD SCALE AND CHARACTER.

This policy has already been implemented through the comprehensive rezoning of residential districts adopted in 1978. In order to protect neighborhood scale and character, that rezoning set allowable densities in established residential areas at the level of the generally prevailing density. Requests by affected property owners for minor small scale adjustments in that zoning can be expected from time to time. This policy will be applied to those cases.

Policy 2 ENCOURAGE HIGHER RESIDENTIAL DENSITY IN AREAS ADJACENT TO DOWNTOWN AND IN NEIGHBORHOOD COMMERCIAL DISTRICTS WHERE HIGHER DENSITIES WILL NOT HAVE HARMFUL EFFECT.

Present zoning largely reflects this policy. The Department of City Planning has studies underway on the rezoning of downtown and neighborhood commercial districts and the rezoning of certain areas adjacent to downtown. Application of this policy is being considered in those studies.

Policy 3 IN APPROPRIATE CASES, CONSIDER THE SIZE OF THE UNIT IN ESTABLISHING ALLOWABLE DENSITIES.

This policy is being applied in the development of a plan for the conversion of Rincon Hill to mixed residential and commercial use. The proposed plan does not set density in terms of the number of housing units. Instead, limits on the amount of housing in terms of square footage are set by the allowable development envelope as is determined by the height, bulk and lot coverage requirements. The size of the units will be reviewed and approved by the City Planning Commission. It is anticipated that the proposed plan will be presented for public review and eventual adoption by the Planning Commission in 1984.

Policy 4 ADOPT SPECIFIC ZONING DISTRICTS WHICH CONFORM TO A RESIDENTIAL LAND USE PLAN.

The 1978 residential rezoning implemented this policy.

III. Retention of Existing Housing

OBJECTIVE 3 TO RETAIN THE EXISTING SUPPLY OF HOUSING.

Maximum number of housing units that can be retained over a five-year time frame.

An estimated 1,300 units, which otherwise would be lost, would be preserved each year because of the various policies, programs and activities described below. Because preservation is focused on low-income housing, most of the units preserved would remain as affordable housing for low-income residents.

Policy 1 DISCOURAGE THE DEMOLITION OF EXISTING HOUSING

Appropriate legal means for implementing this policy will be examined and conclusions and recommendations presented to the Board of Supervisors for consideration in 1985. In addition, this policy will be applied in cases where the City Planning Commission has some discretion over the proposed use of the cleared site.

Policy 2 RESTRICT THE CONVERSION OF HOUSING IN COMMERCIAL AND INDUSTRIAL AREAS.

(a) Neighborhood Commercial Rezoning Study

Implementation of these policies will be carried out through a comprehensive rezoning of the neighborhood commercial (C-1, C-2 and RC) districts, now underway in the Department of City Planning. Under the proposed zoning framework for these districts, each individual commercial street and use is afforded a range of options. There will be a special control covering residential conversion to non-residential use, and demolition of housing units with replacement by non-residential use. While

conversions/demolitions will be allowed at the first story, they will be prohibited in districts that contain large quantities of affordable housing and which still have ample opportunities for commercial development at the ground story and/or in new construction. In other districts, conversions/demolitions will be permitted only for the first and second stories, or will be subject to the conditional use process.

The study report was released in June of 1984. After the conclusion of the public review process, adoption of the new zoning framework is scheduled for the end of 1984.

(b) Downtown Commercial Districts

The Downtown Plan proposes to restrict the conversion of residential units in C-3 districts to be subject to conditional use approval. The adoption of the Downtown plan is scheduled for 1984.

(c) Industrial Districts

Means to implement these policies in the industrial districts will be considered in the rezoning studies being undertaken over the next several years.

Policy 3 PRESERVE THE EXISTING STOCK OF RESIDENTIAL HOTELS.

Residential Hotel Conversion and Demolition Ordinance

Chapter 41 of the San Francisco Administrative Code regulates the conversion and demolition of residential hotels to other uses. The ordinance is designed to preserve residential hotels, which comprise approximately 25,000 units, as affordable housing for low-income residents, and to discourage conversion of these units to tourist facilities. Major provisions of the ordinance include the following:

1. Conversion or demolition would be allowed only if certain conditions are met;
2. Hotel owners must submit an annual report to the City regarding the use of the units in the building;
3. The Bureau of Building Inspection would issue annually a certificate of use to each building specifying the number of residential and tourist units in the building;
4. Information concerning the unit usage of a building shall be posted in the building as public information;



5. Each residential hotel shall maintain a daily log of the status of each room, whether it is occupied or vacant, whether it is used as residential or tourist unit, and the name of the occupant. Each hotel shall also maintain copies of rent receipts showing the amount and period paid for. The daily log shall be available for inspection by the Bureau of Building Inspection.
6. Unlawful conversion of a residential unit to non-residential use shall be subject to a civil penalty of up to \$5,000 and the unit shall be reverted to its authorized use.
7. The Department of City Planning shall prepare an annual report on the effectiveness of the ordinance.

According to a study by the Department of City Planning in November 1980, approximately 2,460 residential hotel units were converted in 1975-1980, and another 985 units were demolished in the same period. Thus there were a total of 3,445 units lost in the five year period at a rate of 689 units per year. The first annual report on the effectiveness of the ordinance, (March 1983) indicates a difference of 1421 units from the 1980 study to the annual unit usage reports current to the end of 1982. Much of this difference can be attributed to a comparison of estimated data with reported data. The 1980 report was based on hotel tax records, in which there as an incentive to under-report tourist units in "mixed" hotels, thus skewing the original estimates to be slightly high for residential (non-taxed) units. Some of the differences may also be due to the incentive to over-report tourist units under the HCD0.

Several proposed amendments to the Residential Hotel Ordinance have been proposed and are presently under review by the City Attorney. It is expected that these amendments will be acted upon by the City Planning Commission and then by the Board of Supervisors in 1984.

#### IV. Housing Condition

##### OBJECTIVE 4 TO MAINTAIN AND IMPROVE THE PHYSICAL CONDITION OF HOUSING.

Maximum number of housing units that can be rehabilitated over a five-year time frame.

This Element sets as a target an average of 2,000 units per year to be rehabilitated through the various forms of public assistance described below. An average of 300 of these units will be for lower- income households (less than 80% of the area-wide median income). In some cases, due to the uncertainty of specific programatic subsidies, it has been impossible to separate low- and moderate- income targets for each year. Therefore, this Element sets a target of the rehabilitation of an additional 800 units per year which will be either for low- or moderate-income categories. The remainder will be market rate housing. In addition, the Systematic Housing Code Enforcement Program will continue to make complete inspections of 1,000 buildings (8,000 units) per year.



Policy 1 ASSURE THAT EXISTING HOUSING IS MAINTAINED IN DECENT, SAFE AND SANITARY CONDITIONS.

(a) Citywide Systematic Housing Code Enforcement Program

The Systematic Housing Code Enforcement Program inspects apartments and hotels on a "worst-first" basis. Inspections are designed to bring the buildings up to the standards of the Housing Code. Approximately 1,000 buildings are given complete inspections per year. These buildings contain an average of 8 units per building. Routine inspections of the public areas are being made in an additional 4,000 buildings.

(b) Western Addition A-2 Project Area Rehabilitation

The Redevelopment Agency is rehabilitating 3,945 housing units in the Western Addition A-2 project area. 2,753 units have been rehabilitated since the project began in 1965; 1,192 units remain. In 1984 work was started on approximately 53 units, using a combination of tax-exempt financing, Federal Section 312 loans, and private investment.

(c) HUD Residential Rehabilitation Program

This is a new program, part of the 1983 Housing Act. The City was allocated \$1.2 million in 1984, which should provide funding for approximately 240 units, through a combination of Section 8 funds and housing vouchers. The funds provide 50% of the rehab. cost, with remainder to be provided from other sources. The program can be used for both residential hotels and apartments. If funding continues at 1984 levels, the City can expect to do 200 units per year over the next five years.

(d) Rehabilitation Assistance Program

The Bureau of Building Inspection has rehabilitated 8,533 housing units in 2533 structures in 3 neighborhoods in the city since 1976. The \$17 million in loans has been funded by tax exempt mortgage revenue bonds, state CHFA, city CRRP and the federal Section 312 loan program. \$19 million in private funding was also expended. The North of Market RAP currently underway involves 2603 completed units with approximately 3,000 units remaining. In 1983 over 1600 units were completed. In 1984 work was completed on 733 units.

Policy 2 MAINTAIN AND IMPROVE THE EXISTING SUPPLY OF PUBLIC HOUSING.

(a) HUD Modernization Program

The San Francisco Housing Authority receives funds from the Department of Housing and Urban Development to carry out modernization activities in existing project areas. The Authority was allocated approximately \$9.6 million in 1982, and \$9.3 million in 1983. The funds were used for management improvements,

architectural fees for the Plaza West project, and for the Rosa Parks conversion and remodelling, which is expected to be completed in 1984. The Authority will continue to modernize and upgrade units as funds from HUD are available. The Housing Authority has identified a need for \$12.5 million in 1984, and \$22.7 in 1985. Actual allocations have not yet been determined.

(b) CDBG Rehabilitation Program

CDBG funds are allocated to supplement the HUD public housing modernization program to improve the physical conditions of existing public housing projects. CDBG funds are used mainly for correcting code-related deficiencies and for deferred maintenance. In 1983 and 1984 approximately \$1 million of CDBG funds were appropriated for this purpose. The Housing Authority has identified a need for approximately \$4 million in 1985.

(c) Office Housing Production Program (OHPP)

Approximately 650 vacant or substantially deteriorated units of public housing are undergoing rehabilitation with some \$3 million contributed through the OHPP. This involves rehabilitation of 450 units in Housing Authority projects citywide, and rehabilitation/conversion of the "Pink Palace" into senior citizen housing in the Western Addition. Any additional OHPP commitments to rehabilitation and public housing are subject to office developers' decisions to satisfy OHPP housing requirements through this means.

Policy 3 PROMOTE AND SUPPORT VOLUNTARY HOUSING REHABILITATION.

(a) Community Housing Rehabilitation Program (CHRP)

This program provides low-interest rehabilitation funds to low-income owner occupants and to rental properties in which over 51% of the tenants are low-income for the correction of San Francisco Housing Code deficiencies. Loans are fully amortized. The program is financed by CDBG funds and is administered by the MOHED funded neighborhood housing development corporations. In 1982 348 units were rehabilitated, 376 in 1983. Current plans call for an allocation of approximately \$2.5 million per year, providing funds for approximately 275 units. The city expects this funding level to be maintained. If so, the program will produce 250-300 units per year over the next 5 years.

(b) Deferred Payment Rehabilitation Loans SB-966

This state program provides funds for deferred payment loans at an interest rate of 3% per annum. The elderly repay the loan upon sale or transfer of the property; non-elderly and owners of rental property repay after 5 years. The maximum loan amount is \$10,000 per unit (\$20,000 per unit for a room addition to alleviate overcrowding) with a maximum of \$100,000 for a rental property. The income of borrower may not exceed 80% of area median for owner-occupants of 1-4 unit buildings. All of the residents in rental property must be low/moderate income. In 1982, 13 units were

assisted; 305 in 1983 and early 1984. 91 units are in process, and it is projected that 200 more will be completed in 84-85. Future funding of this program is uncertain.

(c) Home Improvement Loan Program (HILP)

This is a city wide program that uses tax-exempt mortgage revenue bonds to make home improvement loans. The loans are at an interest rate of 9.95% for households at 120% of the area-wide median income or less. Approximately 120 loans will be made at a 3% rate for households at 80% of median or less; this reduced rate is made possible through the use of CDBG funds. Loan terms are \$15,000 maximum, 15 years, 1-4 units buildings, owner occupied, for home improvements. Funding for approximately 720 units is available, 120 of which will be households at 80% of median or less. 43 loans were made in 1983, half of which were at the 3% rate. 300 loans are planned for 1984 and 300 in 1985. If Bond authorization is available, the program will be continued with additional bond issues. This program has seen high demand from elderly and disabled households.

(d) CHFA Multi-Family Rehabilitation

34 units in 1984, all have been for low income households. \$940,000 has been allocated for 1984; additional loans depend on funding.

Policy 4 CONSERVE RESIDENTIAL BUILDINGS OF SIGNIFICANT ARCHITECTURAL MERIT.

(a) Identification and Preservation of Meritorious Buildings

The Department of City Planning conducted an architectural survey (1975-76) of all residential structures in San Francisco, which were ranked on a scale of 0 to 5 according to architectural merits. This survey is used to promote the preservation of high-ranking buildings. In addition, the Foundation for San Francisco's Architectural Heritage does studies with the assistance of the Department of City Planning. These studies are used to develop preservation policies and strategies in rezonings, such as the rezoning of Van Ness Ave., Rincon Hill, and Chinatown.

(b) Landmark Designation Program

This program involves the identification of and designation as landmarks those buildings which have special architectural and historical significance under Article 10 of the Planning Code (the City's landmarks preservation ordinance).



## V. Affordability of Housing

### OBJECTIVE 5 TO PROVIDE HOUSING AFFORDABLE TO ALL INCOME GROUPS, PARTICULARLY LOW AND MODERATE INCOME HOUSEHOLDS.

Maximum number of housing units in various income categories that can be constructed in a five-year time frame.

The lack of Federal and State subsidies makes it particularly difficult to set targets for below market-rate housing. The City will work with the variety of resources described in Part III of the element to attempt to provide new housing at all income ranges. However, the amount of subsidy required is substantial. It is estimated that reducing the cost of a one-bedroom unit so that it is affordable by a very low-income household would require a lump sum subsidy of \$59,000; making the unit affordable to a low-income household would require a subsidy of \$43,000 and to a moderate-income household, a subsidy of \$22,000. The availability of local public resources to provide that amount of subsidy for a large number of units is highly questionable. The extent to which the private housing developer can be expected to absorb this amount of subsidy is also very limited. Asking too much may destroy the incentive to develop any housing at all. Despite these caveats, the City is committed to do as much as it reasonably can with available public and private resources.

The following income targets are established as a benchmark for measuring future performance:

<u>Income Category</u>	<u>Housing Needs Estimate</u>	<u>Targets</u>
very low income	13%	5% 1
low income	10%	13% 2
moderate income	32%	25% 3
above moderate income	45%	57% 4

- 
- 1 Rehab of 450 units of vacant public housing.
  - 2 100 units from Casa de la Raza and Dunleavy Plaza. Approximately 100 units to be assisted through the City's Mortgage Revenue Bond Program. Includes forty units from the Wisconsin Street Project. 652 units of lower income rental assistance. 468 units financed through contributions from hotel developers and a UDAG grant.
  - 3 1,165 units low- and moderate- housing to be developed by the San Francisco Redevelopment Agency. An estimated 208 units from the Mortgage Revenue Bond Program. 1,140 units from the Multi-family Bond Program. Includes 80 units from the Wisconsin Street Project and 42 units on the Farragut School Site.



- 4 Remainder from projected 1984-1989 production of 10,000 units, based on assumptions in Objective 1. The City's Office Housing Production Program, surplus school sites rezonings, and Rincon Hill development, and Housing Development Fund will probably lead to additional low- and moderate-income housing. But because the actual number cannot be determined now, units from these programs are shown in the market-rate category.

Policy 1 USE THE CITY'S FINANCIAL POWERS AND RESOURCES TO REDUCE THE COST AND INCREASE THE SUPPLY OF LOW AND MODERATE INCOME HOUSING.

(a) Mortgage Revenue Bond Program

The City and County of San Francisco has issued \$60 million in tax-exempt mortgage revenue bonds to finance an affordable housing mortgage program for approximately 650 eligible homebuyers in the city. The program includes a pool of mortgage assistance funds to be secured by second mortgages that will further reduce monthly housing expenses as needed. The pool has been established by the City and funded from contributions and participation by interested parties including developers of downtown office buildings. The program is providing permanent mortgage financing to stimulate the production of new housing units and expand the affordable housing stock in the city. The program began operating in 1982. Twenty-five percent of the funds will go to households which are less than 80% of the area median income; the remainder will go to households at 80-150% of the median. 133 units were financed in 1983. It is expected that 310 units will be financed in 1984 and an additional 207 units in 1985. If the City is able to issue additional bonds, and obtain additional shared appreciation funds, which it will seek to do, this target would increase accordingly. The City's ability to issue additional bonds would depend on the bond market and interest rates, as well as on state and federal legislation. It should be noted that state and federal regulations governing municipal revenue bonds are in a state of flux.

(b) Housing Development Fund

The City's condominium conversion ordinance requires that the converters provide 10% of the units in conversion projects as low- and moderate-income units. The units may be provided in the converted building, on another site, or the converter may pay a fee into a housing development fund, to be used in the development of new housing resources for low- and moderate- income households. Payments are due two years after recordation of the final subdivision map. In April of 1984 the Board of Supervisors established a Task Force to analyze how best to use these funds. The Task Force is expected to produce recommendations by the end of the summer.

(c) Multi-Family Bond Program

In the spring of 1984 the City plans to issue the first of a series of multi-family bond issues. The program is designed to provide funds for construction and permanent loans, and is limited to rental projects where 20% of the units are reserved for low to moderate income tenants for approximately 10 years. The first issue will be for approximately \$14 million, and will provide funds for some 140 units in 1984-1985. If the program is successful, plans call for subsequent issues of \$25 million for 1985 and beyond, providing funds for approximately 250 units per year.

(d) Affordable Housing Districts

In 1983 the Department of City Planning designated two sites as Affordable Housing Districts. Those sites were granted extra density in order to promote the development of affordable housing. Financing for these projects was provided by the Mortgage Revenue Bond Program. Additional sites will be reviewed for this density bonus as appropriate.

(e) Housing Affordability Fund

The Mayor has proposed that \$10 million from the city's budget surplus be set aside for use as a Housing Affordability Fund. If approved by the Board of Supervisors, this fund will be used in conjunction with the other programs described in this section to further increase the feasibility of producing affordable housing in San Francisco. Action by the Board of Supervisors is scheduled for this summer.

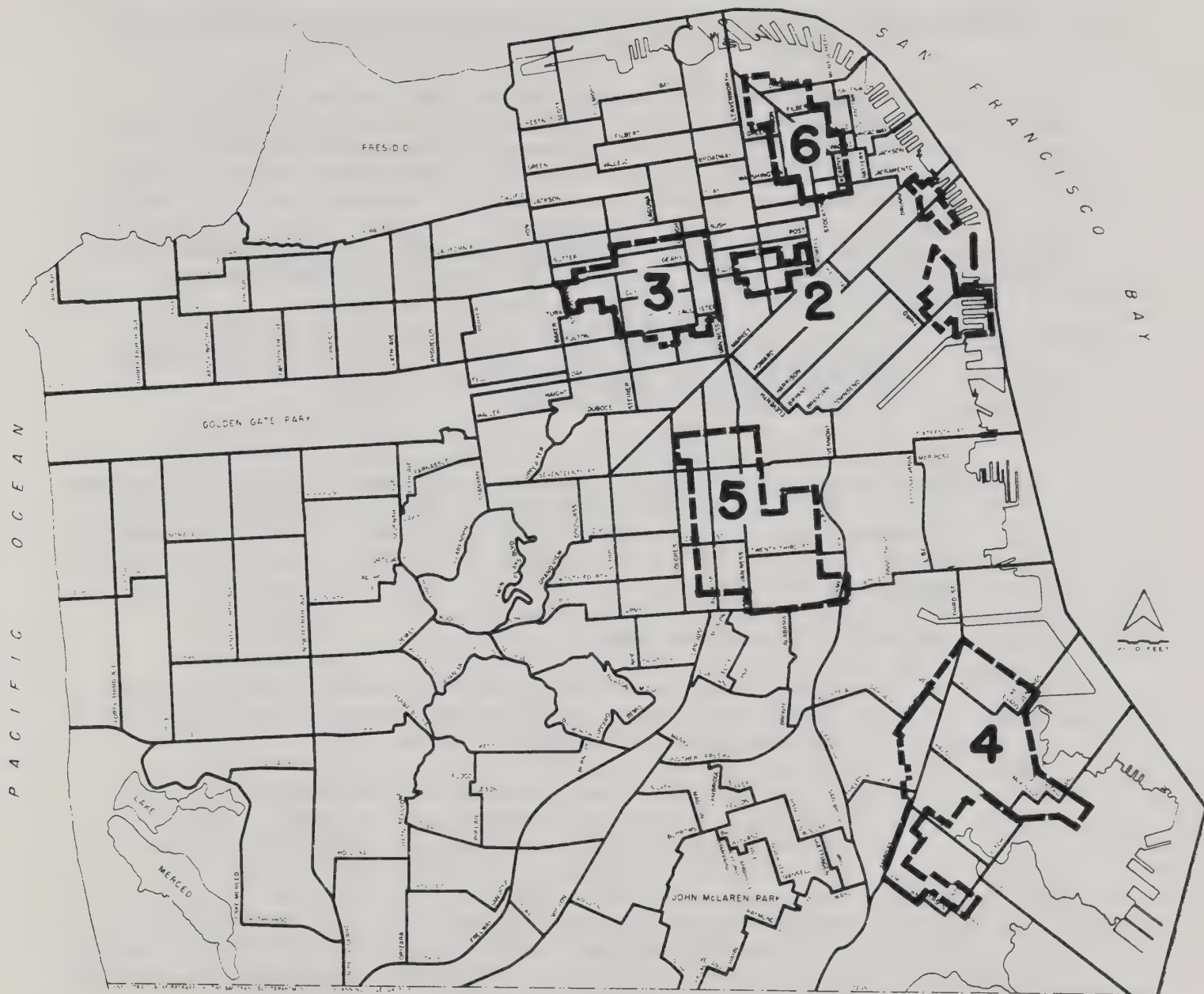
Policy 2 MAKE MAXIMUM USE OF AVAILABLE FEDERAL AND STATE HOUSING SUBSIDY PROGRAMS.

MOHED and the Redevelopment Agency work with the U. S. Department of Housing and Urban Development and the California Department of Housing and Community Development to utilize whatever programs are available to reduce the cost and increase the supply of low- and moderate- income housing. The prospect of future funding, particularly of federal programs, is not bright. The City will aggressively seek whatever funds are available.

(a) Lower-income Rental Assistance

The City makes full use of Federal programs which provide rental assistance to people at 80% or less of the area-wide median income. Approximately 934 units of substantial rehabilitation and new construction were completed in 1983 and early 1984. Another 652 units are under construction and will begin in 1984.

The City has been allocated 2,096 certificates for Section 8 existing rental housing. All of these certificates have been allocated. There is some nominal turnover; vacancies are rapidly filled.



**MAP D**

## NEIGHBORHOOD STRATEGY AREAS

1. Rincon Point-South Beach
2. North of Market
3. Western Addition
4. Bayview/Hunter's Point
5. Mission
6. Chinatown/North Beach



Policy 7 ENCOURAGE NON-PROFIT AND LIMITED EQUITY OWNERSHIP OF HOUSING.

(a) Housing Site Acquisition

This program provides funding through neighborhood-based nonprofit community development corporations to acquire housing for low- and moderate- income families and individuals. Funds have been utilized to fund the development cost gaps between statutory limits on various Section 8 new construction and substantial rehabilitation projects utilizing FHA mortgage insurance. In addition, funds have been utilized to acquire existing housing that is either vacant and/or in need of substantial rehabilitation. Given the apparent demise of the Section 8 program funds in future years may be focused on acquisition of existing housing. The CHRP program described on p. 3.11 is generally the financing vehicle for rehabilitation. This program does not stand on its own; it is always leveraged with some other programs -- such as the Wisconsin Street project or some of the school sites.

For 1984 approximately \$2.6 million has been reserved. Future years are contingent on Federal appropriations and Board of Supervisors allocations.

Policy 8 ENSURE THAT COMMERCIAL DEVELOPMENTS AND EDUCATIONAL INSTITUTIONS ASSIST IN MEETING THE HOUSING DEMAND THEY GENERATE.

(a) Office Housing Production Program

The City Planning Commission requires downtown office developers to provide housing to help mitigate the effects of office development on housing demand. The requirement is expressed as unit credits and must be met within a specific time period - typically within three years of the completion of the office building.

As of the end of 1983, developers have committed to 2,987 units of housing, a commitment of approximately \$20,437,000. Current uses of the OHPP include financing, rehabilitation of vacant units, housing development, Section 8 subsidized housing projects, and the investment pool of the citywide affordable housing program.

The majority of the housing units produced to date have been for low- and moderate- income families. Due to the nature of the program, however, it is impossible to predict how many low- and moderate-income units will be developed or assisted by the OHPP in the future.

City staff are working on an ordinance to revise and improve the operation of the program. It is expected that the ordinance will be in place by the end of the summer.



(b) Institutional Master Plans

Under Section 304.5 of the Planning Code, Institutions are required to adopt and maintain Institutional Master Plans, which are to include any development plans. The conformity of the development plans with the City's Master Plan, and thus with the policies of this Residence Element, are included in the review of those Institutional plans.

(c) Hotel Developers

Hotel developers have been required to contribute to the improvement and maintenance of affordable housing in the neighborhood in which they are located. To date, Ramada, Inn, Holiday Inn and the Hilton Hotel are the three major hotels which have committed specific funds towards affordable housing in the North of Market area. Each hotel would contribute 50¢ per hotel room per day for 80% of the rooms in the project for a period of 20 years, which amounts to an estimated \$320,700 per year from the three hotels.

The fund will be used primarily for low-income housing projects to be approved by a community advisory committee and the Department of City Planning.

Part of the funds, \$153,300 has already been earmarked for the acquisition of four residential hotels for low-income residents, in conjunction with a \$6 million UDAG grant and a \$1 million CDBG grant. The four hotels have a total of 468 units, have been acquired, and rehabilitation is approximately 50% complete. Two of the hotels will remain as low-income housing permanently, while the other two will operate as low-income housing for 15 years.

Policy 9 STREAMLINE THE PERMIT AND ENVIRONMENTAL REVIEW PROCESSES TO EXPEDITE HOUSING CONSTRUCTION.

Computerized Tracking System

A new computer based system for expediting permit processing was implemented in December of 1981. The system is designed to keep precise track of all permits, pinpoint any delays, provide management with the information needed to remove backlogs, and identify areas for the potential redeployment of staff. This has served to reduce the overall permit processing time. The goal is to process 75% of properly completed permit applications within 3 days of receipt.

Policy 10 INSURE THAT THE CITY'S CODES AND DEVELOPMENT REQUIREMENTS DO NOT UNNECESSARILY INCREASE THE COST OF HOUSING.

This policy is applied when the City's Codes are periodically revised as was the case with the Building Code which was currently revised to conform to the Uniform Building Code. City officials are also reviewing with the Fire Department the feasibility and advisability of modifying the boundaries of the fire zone where more expensive forms of building construction are required.

## VI. Neighborhood Environment

### OBJECTIVE 6 TO PROVIDE A QUALITY LIVING ENVIRONMENT.

#### Policy 1 ASSURE HOUSING IS PROVIDED WITH ADEQUATE PUBLIC IMPROVEMENTS, SERVICES AND AMENITIES.

The City and County of San Francisco maintains several programs which implement this policy.

##### (a) Recreation and Open Space

Ad valorem tax funds in an Open Space Acquisition and Park Renovation Fund provides funds for the acquisition, renovation, and improvement of open space and recreation facilities.

##### (b) Facilities and Public Environment Improvements

The City's CDBG programs are used for such activities as:

- Renovation of recreational facilities
- Renovation of neighborhood and senior centers
- Renovation of childcare centers
- Development of new neighborhood centers
- Improvements to the public environment

##### (c) Street Improvements

The City's gas tax receipts are used for street cleaning, maintenance/repair, and such improvements as curbs, street widening, and traffic islands.

#### Policy 2 ALLOW APPROPRIATE NEIGHBORHOOD-SERVING COMMERCIAL ACTIVITIES IN RESIDENTIAL AREAS.

##### (a) Extension of Neighborhood-serving Non-Conforming Uses.

The 1978 amendments to the Planning Code established a process whereby those non-residential uses in residential areas which were made non-conforming by the Planning Code provisions adopted in 1980 and have their termination dates extended or removed. The Department of City Planning has reviewed those non-conforming uses which filed for extension or removal of their termination dates against the criteria outlined in the Master Plan policy. Those uses found to contribute to neighborhood livability were not required to be terminated.

Policy 3 MINIMIZE DISRUPTION CAUSED BY EXPANSION OF INSTITUTIONS INTO RESIDENTIAL AREAS.

Review of Institutional Master Plans.

An ordinance enacted in 1977 requires large medical and educational institutions to prepare and periodically revise master plans to guide future development. These plans are to be submitted for public review and hearing before the City Planning Commission. In addition to describing expansion plans, the Master Plans include the actions to be taken to minimize the adverse impacts on surrounding residential areas. Governmental and public concerns regarding the proposals in the Master Plan are, through this process, brought to the attention of the institution so they can be dealt with before development projects are too far advanced.

Policy 4 PROMOTE DEVELOPMENT OF WELL-DESIGNED HOUSING.

(See Policy 5 below.)

Policy 5 MODIFY PROPOSED DEVELOPMENTS WHICH HAVE SUBSTANTIAL ADVERSE ENVIRONMENTAL IMPACTS OR OTHERWISE CONFLICT WITH THE MASTER PLAN.

The Department maintains a project review staff to review the design of projects. The Planning Commission may use its powers of discretionary review to improve design. The Department also maintains an environmental review staff to assess the environmental impacts of projects. The Planning Commission may impose mandatory mitigation measures for adverse impacts.

VII. Accessibility of Housing

OBJECTIVE 7 TO PROVIDE MAXIMUM HOUSING CHOICE.

Policy 1 PREVENT HOUSING DISCRIMINATION BASED ON AGE, RACE, RELIGION, SEX, SEXUAL PREFERENCE, MARITAL STATUS, ANCESTRY, NATIONAL ORIGIN, COLOR, OR DISABILITY.

In November 1979, the San Francisco Board of Supervisors adopted Resolution 1045-79 which reaffirmed support of state and local fair housing legislation and opposition to discrimination in the purchase and rental of housing. In 1978 the City passed legislation prohibiting discrimination based on sexual preferences. The City should continue to provide the necessary resources to insure the effective implementation of this policy.



Policy 2 PROMOTE ADAPTABILITY AND MAXIMUM ACCESSIBILITY OF RESIDENTIAL DWELLINGS FOR DISABLED OWNERS AND TENANTS.

The City Planning Code permits a density bonus of twice the number of dwelling units otherwise permitted as a principal use in the district, when such dwellings are specifically designed for and occupied by senior citizens or physically disabled persons. Increasing the availability of accessible housing will probably require additional approaches.

The City, through plan checking by the Bureau of Building Inspection, will enforce the standards for accessibility and adaptability for the disabled as legislated in Title 24, Part I and II of the California Administrative Code, or as adopted locally.

While those requirements do not apply to private projects with four or fewer units, the Department of City Planning is proposing that publicly subsidized projects for new construction or rehabilitation for such projects be conditioned upon meeting the state standards for accessibility and adaptability for the disabled. Because of this, a policy will be proposed to the City Planning Commission in 1985 of requiring all housing newly constructed or substantially rehabilitated with City assistance to be adaptable to the disabled and a portion of such housing to be fully accessible. If adopted, the Department of City Planning will present this recommendation to the San Francisco Board of Supervisors and to the appropriate City housing agencies to insure that this policy is implemented.

It should be noted that the San Francisco Housing Authority has a strong policy of encouraging accessible housing in its new construction and substantial rehabilitation. For example, in the conversion of the "Pink Palace", 5% of the units are accessible. The first 100% adaptable city-assisted project has been proposed and designed by Mission Housing Development Corporation. The completion of their Dunleavy Plaza project will provide 48 low-cost adaptable housing units. The city will continue to encourage the development of adaptable and accessible housing in projects which make use of city subsidies, including tax-exempt financing.

In order to promote the collection of data on the disabled useful for planning purposes, the Department of City Planning will work with the Bureau of the Census to develop and approve methods in the 1990 Census for collecting data on accessible and adaptable housing units.

Policy 3 PROMOTE THE AVAILABILITY OF UNITS SUITABLE FOR OTHER GROUPS WITH SPECIAL HOUSING NEEDS INCLUDING LARGE FAMILIES, ELDERLY, AND THOSE NEEDING GROUP HOUSING AND EMERGENCY SHELTER.

This policy will be implemented in larger part through review of proposed housing projects and advocacy of a mix of unit sizes to accommodate large families as well as the elderly. The Planning Code currently provides an incentive for elderly housing by allowing double density for elderly housing.



In pursuing its inquiry of group housing and emergency shelter needs in San Francisco, the Department determined that the city continues to be confronted by serious, complex issues related to housing its homeless population. Many issues, beyond basic housing requirements such as food, mental health, medical care, employment, etc., hamper efforts to provide a lasting solution to the problems of inadequate shelter resources for the city's homeless.

In spite of these issues, significant steps have been taken by the city to deal with the problems of the homeless. A shelter program was initiated by the Mayor's office, the Board of Supervisors, and various city departments to provide emergency shelter for homeless individuals. By December, nearly 18,000 persons were sheltered in city-funded facilities. Before its modification, the program accommodated nearly twice as many individuals in fourteen shelter facilities city-wide.

Currently the city continues to contract for shelter facilities with various non-profit, charitable service organizations for the homeless.

Policy 4 ELIMINATE DISCRIMINATION AGAINST FAMILIES OR SINGLE PERSONS WITH CHILDREN.

The City and County of San Francisco administers legislation enacted in 1975 which prohibits housing discrimination against families with minor children and will be enforcing the State Supreme Court decision that ruled such discrimination illegal.

Policy 5 ENCOURAGE ECONOMIC INTEGRATION IN HOUSING.

Implementation of this policy has occurred through the City's efforts to achieve the deconcentration of assisted housing opportunities by dispersing assisted housing away from the most heavily impacted areas of the city.

Policy 6 PROVIDE ADEQUATE RENTAL HOUSING OPPORTUNITIES.

(a) Preservation

The City's programs regulating demolition and conversion are, or will be designed to implement this policy.

(b) Rental Housing Finance Program

The Mayor's OHED has underway a financing program to build multifamily rental housing. See page 3.14.

(c) HUD New Construction Rental Program

A new program, for which regulations have not yet been promulgated. HUD is developing the program now, from which the City may see some benefit in 1984-1985.

Policy 7 EXPAND OPPORTUNITIES FOR HOME OWNERSHIP.

The City's shared appreciation mortgage revenue bond program is designed to implement this policy by providing mortgage funds at below market interest rates.

Policy 8 REGULATE THE CONVERSION OF EXISTING RENTAL APARTMENT BUILDINGS INTO CONDOMINIUMS OR COOPERATIVES.

The Board of Supervisors revised the condominium ordinance in December 1982 to reduce the number of rental units converted to condominiums from 1,000 to 200 annually.

To minimize loss of rental housing and displacement, as well as to preserve low- and moderate- income units, the ordinance provides that:

- 1) A maximum of 200 units can be converted every year, limited to the following categories of buildings:
  - (a) Building consisting of four(4) units or less in which one of the units has been occupied continuously by one of the owners of record since on or before January 1, 1982, or;
  - (b) Building consisting of six(6) units or less in which fifty percent (50%) or more of the units have each been occupied continuously by one or more of the applicant owners of record since on or before January 1, 1982, or;
  - (c) Community apartments or stock cooperatives where seventy-five percent (75%) of the units have been occupied continuously by the owners of record since on or before January 1, 1982.
- 2) The ordinance will be in effect from January 1, 1983 through December 31, 1985, inclusive.

Policy 9 ENSURE A DISTRIBUTION OF QUALITY BOARD AND CARE FACILITIES.

Section 209.3 of the Planning Code defines residential care facilities as including, but not limited to, "a board and care home, family care home, long-term nursery, orphanage, rest home, or home for the treatment of addictive, contagious or other diseases or psychological disorders. These uses are permitted as principal uses in all residential districts for six or fewer persons, and as a conditional use for seven or more persons. To promote development of new facilities, the OHPP permits office developers to help finance residential care facilities in return for satisfaction of their housing requirement.

Policy 10 PROMOTE THE AVAILABILITY OF UNITS SUITABLE FOR PERSONS WITH VARIED LIFESTYLES

The City's current zoning and other ordinances implement this policy. For example, the residential hotel conversion ordinance protects congregate housing. The Planning Code (Section 204.4) permits artisan housing integrated with the artist's work space in any commercial or industrial district.

VIII. Displacement

OBJECTIVE 8 AVOID OR MITIGATE HARDSHIP CAUSED BY DISPLACEMENT.

Policy 1 MINIMIZE RELOCATION HARDSHIP AND DISPLACEMENT CAUSED BY THE DEMOLITION OR CONVERSION OF HOUSING.

The programs described in Objective 3, "Retention of Existing Housing" address this policy.

Policy 2 PERMIT DISPLACED HOUSEHOLDS THE RIGHT OF FIRST REFUSAL TO OCCUPY ANY REPLACEMENT HOUSING UNITS.

This policy has been implemented through sections in the ordinances creating the Rehabilitation Assistance Program and the Housing Improvement Program, in the condominium conversion ordinance, and in the residential hotel conversion ordinance.

Policy 3 PROVIDE RELOCATION SERVICES IN ALL CASES WHERE PUBLIC ACTIONS CAUSE DISPLACEMENT.

As a matter of City policy all local public programs directly causing displacement include relocation services and benefits equal to those of the Federal Uniform Property Acquisition and Relocation Act.

IX. Regional Coordination

OBJECTIVE 9 TO ADDRESS HOUSING NEEDS THROUGH A COORDINATED REGIONAL APPROACH.

Policy 1 ENCOURAGE THE BALANCING OF REGIONAL EMPLOYMENT GROWTH WITH THE DEVELOPMENT AND GROWTH OF HOUSING IN THE REGION.

The City's Office Housing Production Program is an attempt to balance housing and job growth. The ABAG housing needs report is also an attempt to balance housing development with job growth. However, it is clear that greater efforts will be needed as housing is lagging behind job growth. The Downtown plan states that if housing production goals cannot be met, downtown growth may need to be slowed as a matter of deliberate public policy.

Policy 2 ENCOURAGE REHABILITATION AND DEVELOPMENT OF HOUSING IN THE BAY AREA WHICH WILL MEET REGIONAL HOUSING NEEDS AND CONTRIBUTE TO THE QUALITY OF LIFE IN THE REGION.

This policy guides the City's participation in the deliberations and policy formulation of ABAG. ABAG policy is consistent with this policy.

Policy 3 ENCOURAGE THE DISTRIBUTION OF LOW- AND MODERATE- INCOME HOUSING THROUGHOUT THE BAY AREA.

This policy guides the City's participation in the deliberations and policy formulation of ABAG.

#### Internal Consistency

The Residence Element is part of the official Master Plan of the City and County of San Francisco. The Master Plan contains the following additional elements:

- Commerce & Industry
- Transportation
- Public Facilities
- Recreation and Open Space
- Urban Design
- Environmental Protection
- Community Safety

These elements have been reviewed in the context of the proposed new Residence Element and all elements of the Master Plan have been found to be internally consistent.



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